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The Nation's Business

Auto Strike Is Struggle for Power

"Clean-up Year," Thomas Bradshaw's Suggestion

Facts Come Out About Power Negotiations

Roebuck Did Not Give Right Story

Hepburn May Yet Save Ontario

A Struggle For Power

EVEN if the automotive strike in the U.S.A. is settled without directly cutting off key materials and thus closing down Canadian factories, the implications of this controversy are of primary concern to employers and employees in this country.

Plainly the strike which has centred round General Motors Corporation is a struggle for power rather than a series of disputes about grievances. It is a struggle which has brought to the fore a new, simple and completely effective principle, namely that any small group of workers who will hold their positions in a modern assembly line while refusing to work, can stop the entire manufacturing process. Of course such a procedure is illegal, but it is apparently so easy and so effective that it looms as a major factor in modern industry — a factor which both employers and labor leaders alike may have to reckon with by devising some new form of contract by which workers will covenant to carry through their parts of work agreements to which employers are also bound, or perhaps, as Col. Ayres of Cleveland Trust suggests, some entirely new form of payment.

Another vital principle which has reappeared in powerful form is a realization of the power of the industrial union as compared with the old craft union in shutting off the flow of essential parts coming from outside plants. In effect this does on a larger scale what the sit-down strike does in the individual plant.

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THE nub of the entire matter is the mighty challenge of that small group in labor that is "organized" to dictate through its officials and organization the conditions under which men shall be employed in the manufacture of automobiles. One reason for the unique success of the industry during the past 25 years and more particularly during the past five years, has been its refusal to "*stabilize*" *itself* at any point. It has demanded "open shop" among its employees but more important still it has demanded "open shop" between individual plants and companies and through every link and chain in its far-flung network. This amazing freedom and flexibility has undoubtedly been a major reason why the industry has led this continent back to recovery.

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WHAT then of the future? Admittedly employees should be free to make their own associations and group themselves as they see fit to promote their own welfare and position. But all too often these associations have been of a sort that have set up rigidities and checks — that have gained an immediate goal at the expense of an ultimate benefit to themselves and their jobs. One has only to study rules and regulations of organized labor in the construction, printing and railway industries to realize the shortsightedness of this approach to employee problems.

So far, the automobile industry has been an outstanding example of a free competitive enterprise that has been profitable to employer, employee and to consumer alike. The answer to the present struggle for power may well determine the future course of employee-relationships on this continent for many years to come.

Throughout the discussions, one fact must not be lost from view: that there is a larger interest in the struggle than that of any power-seeking group of labor organizers or any corporation management. Each of these groups has an obligation to the public that transcends its own immediate interests. The public will ultimately rule in fixing wage rates and terms of employment.

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Capitalism Must Save Itself

CAPITALISM, or individualism as he prefers to call it, will stand or fall depending upon its ability to prevent depressions, Morris W. Wilson, president of the Royal Bank of Canada, told the shareholders at the annual meeeting. The revaluation of gold by practically all of the major countries of the world has brought inflationary forces into play. Interest rates have dropped to a low point, which, he says, if continued, will create an unhealthy and artificial situation. Easy money inevitably leads to excessive speculation and creates conditions which can be corrected only by depression. What then is to be done, Mr. Wilson asks, to prevent the recovery degenerating into boom—the forerunner of depression?

That is the problem which capitalism or individualism must face and successfully meet if it is not to give way to Communism, Fascism, Nazism or other organizaztions of society. Mr. Wilson does not suggest we should be satisfied with our present recovery nor that prices should not be expected to continue to rise, but if the recovery is to continue along sound lines a greater

(Continued on page 2, col. 3)

Ottawa Parley Fails to Bring Help for West

Bracken and Patterson Return Disappointed After Conference

THREE PROPOSALS

From Our Own Correspondent

OTTAWA. — The pilgrimage of Premiers Bracken and Patterson to Ottawa seeking financial relief was a disappointment. They returned without an agreement which would afford them relief.

It is stated that neither side has given up hope that the provinces of Manitoba and Saskatchewan may still be assisted in straightening out their financial tangles, but the prospect is not bright. It does not seem to have become any brighter as a result of the visit.

The western premiers, it is said, came to Ottawa with three definite alternative proposals which they presented in order of desirability. These were:

Three Alternatives

1. Federal guarantee for the refunding of provincial bond issues made callable by special legislation, in the hope of saving sufficient to balance the budget.

2. A temporary subsidy to the provinces.

3. Assumption by the Dominion Government of all relief and old age pensions costs.

The first of these, it was unofficially reported, met with blank refusal. The cabinet is not unanimous on the policy, there being considerable sympathy toward such a suggestion in some quarters. But the majority reaction is negative. It is declared that a show-down was reached on the relationship between federal and provincial credit months ago, and that it cannot very well be reopened now. Federal credit has been dissociated from provincial credit, and members of the Government feel that it would be an unwise step for the Dominion Government again to get behind the loans of the provinces.

Subsidies

The matter of a temporary increase in the provincial subsidy was discussed. It was tentatively refused on the ground that such a concession would open the door to further increases for other provinces.

The other suggestion met with little encouragement. Rather than increase relief grants to the provinces, the Dominion has set its heart on paring them down month by month.

The provincial premiers went back to their capitals aware that they were facing unpleasant developments. They do not believe that it is any use increasing taxation further, because aside from the popular rebellion which would perhaps be incited, the law of diminishing returns suggests that the effect would be disappointing.

Only the accident that neither province has a loan maturing in the early future saves them from the prospect of default on principal of a loan.

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Crooks Hide Behind Mining "Front Men;" Clean-up Demanded

Stock Exchange Members and Leaders in Mining Industry Call for Action in Cleaning Out Swindlers

HOW THEY ARE OPERATING

The Financial Post Produces Evidence Showing Men With Police Records Operate Unmolested in Toronto

Up in arms over the presence in Canadian towns and cities of high-pressure share-pushers, key mining men, together with members of the leading stock exchanges are waging an aggressive campaign aimed at cleaning up the promotional end of the industry.

Members of the stock exchanges have expressed the opinion that while officially their chief concern is to keep their own house in order, the welfare of the mining industry generally depends to a large degree on cleaning up the promotional picture among the non-member promoters.

Officially, of course, the stock exchanges and the mining industry of Canada have no control over the activities of these men. But in their dealings, and by supplying information to the proper authorities, a sincere effort is being made to force the crooked promoter out of business. Behind this effort, the big men in the Canadian mining picture are throwing their weight.

In this, and subsequent issues, The Financial Post is giving factual examples of the sort of activity against which legitimate mining men are fighting.

From Prison to Promotion

Every day the huge gates outside San Quentin prison in California, U.S.A., open to spew out upon the world some man who, for various periods has been the jail's unwilling guest.

Some years ago, there emerged from these gates a tall Irishman, who had been convicted of stock swindling. So bad had been his record, that the Land of Liberty wanted nothing more to do with him. Accordingly, Uncle Sam's agents met him at the prison gates, and deported him, as a British subject, to his native land.

This man came to Canada, and for some years has been an active figure in Canadian mining. To his activity, many a bitter shareholder in Canada and England will testify.

Nothing with which this man has been connected has worked out to the advantage of those who bought stock. His chief interest has been a property in the west, which is now in bankruptcy.

There is nothing in the pot for shareholders, many of whom had bought stock in England at ridiculous prices.

He's Fatter Now

While these shareholders are still licking their wounds, the central figure in this little story, now much fatter than when he left San Quentin, is working in Toronto, selling more stock, by tipster methods. You may, if you like that sort of thing, actually hear him speaking at regular intervals on the radio, using such phrases as "The great heritage of Canadians—Mining."

This man, operating more or less sub rosa, is part of a general condition to which The Financial Post and the reputable section of the mining industry have sought to draw attention in previous issues.

The mere fact that he is operating within the law does not justify authorities in granting him a license.

The Ontario Securities Commission has the power to cancel the licenses of such men, and does not have to show cause.

If such action were taken, this man would plead that he was "trying to go straight." That the selling of stock was the only means he had of making a living. He would talk of persecution. He would employ reputable and influential lawyers to argue his case.

But while he was doing all this, he would not be selling worthless stock to the public.

Consider Mr. A.

Let us take the case of Mr. A.

A. is a personable gentleman of about 52 years of age. It is certainly safe to say that the greater part of those 52 years has been spent in foisting on the public, stock in worthless companies. For his efforts along this line, Mr. A. is known in New York, London, Montreal and Toronto.

The Financial Post has a thick, thick file on Mr. A. It is very unsavoury reading.

Being more or less of a genius, A. has succeeded in dodging the law all his life. This man is in Toronto. Worse than this, he is actually connected with at least two securities houses and probably with a third in Toronto, all selling mining stock.

This man, The Financial Post understands, has promised authorities that he will now sell out his connections with the two firms definitely identified with him, and live the life of a retired gentleman. He has told a pathetic story about his wife's health, and has pleaded to be left alone.

Naturalized Citizen

Even if they would, authorities claim to be powerless to move him from Toronto. He is a naturalized citizen of Canada, having miraculously obtained his naturalization papers in 1934. He has not, of course, been given a license to sell.

But was it necessary, was it in the public interests to grant licenses to the firms and individuals known to be his tools?

The mining company with which this man is connected as vendor of the property is apparently a prospect which warrants develop-

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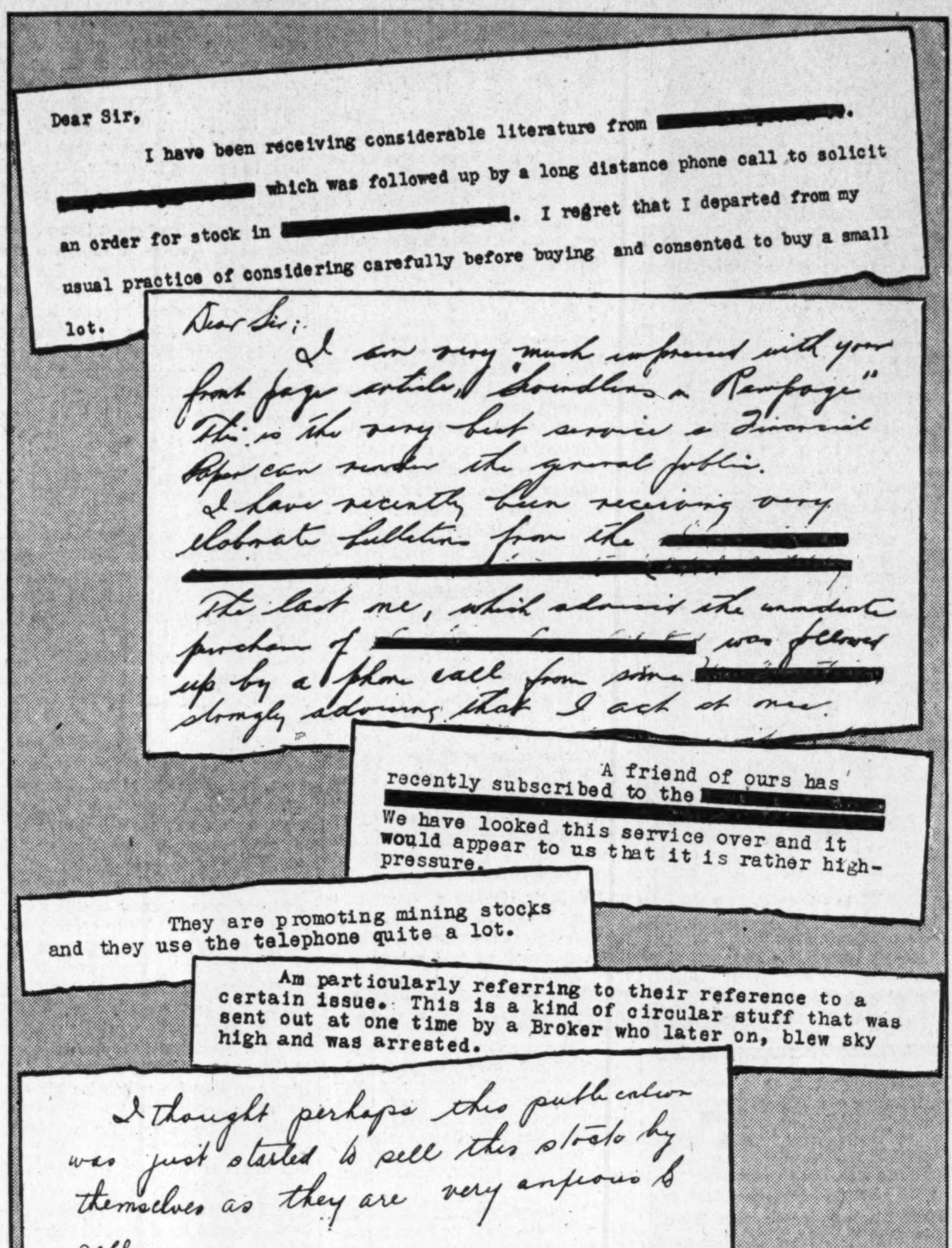
Dear Sir,

I have been receiving considerable literature from [redacted]. which was followed up by a long distance phone call to solicit an order for stock in [redacted]. I regret that I departed from my usual practice of considering carefully before buying and consented to buy a small lot.

Dear Sir;

I am very much impressed with your front page article "Swindlers on Rampage" This is the very best service a Financial Paper can render the general public.

I have recently been receiving very elaborate bulletins from the [redacted]

The last one, which advises the immediate purchase of [redacted] was followed up by a phone call from some [redacted] strongly advising that I act at once.

A friend of ours has recently subscribed to the [redacted]

We have looked this service over and it would appear to us that it is rather high-pressure.

They are promoting mining stocks and they use the telephone quite a lot.

Am particularly referring to their reference to a certain issue. This is a kind of circular stuff that was sent out at one time by a Broker who later on, blew sky high and was arrested.

I thought perhaps this publication was just started to sell this stock by themselves as they are very anxious to sell

Are they swindlers?

Some weeks ago one of our customers was contacted by long distance telephone by a party representing himself to be [redacted] of this firm, and was prevailed upon to purchase 1000 shares of [redacted] at 30¢. The stock later went up to 48¢ when a further long distance call was received offering a further block of 2000 shares at 30¢ - 18¢ below the quoted bid price, and at the same time a glowing picture was presented and our customer told not to think of disposing of his holdings as it would shortly go to 75.

The fact that the second block of stock was offered at considerably below the list price put our customer on his guard and he declined to buy. Since then the price has declined and is now, we understand, quoted at around 25 bid.

LETTERS TELL THE TALE

If any other proof were needed that swindlers and sharepushers are conducting an aggressive campaign in the wake of the present mining boom, letters received daily by The Financial Post would provide it. A few, from one day's mail, are reproduced above, showing the varied manner in which the public reacts to high pressure sales campaigns. Some of these persons unfortunately purchase worthless stock.

Baxter Story Sets Record; 3 Million Readers Stirred

Readers of The Financial Post have been actors in a rather exciting newspaper sensation during the past week. It has turned out to be a journalistic event that has broken records for Canada.

When Edward VIII abdicated, Maclean's Magazine cabled Beverley Baxter, famed Canadian-born London editor, who, by the way, started his journalistic career on Maclean's Magazine, to write the inside story. It takes weeks to produce a modern, well-dressed, illustrated magazine. Nevertheless, Baxter's cabled article in Maclean's Magazine reached every news stand in Canada on Jan. 8. Within two days the issue —of which 278,225 copies were printed—was sold out, and thousands of would-be buyers were clamoring for copies, that could not be supplied because Maclean's Magazine presses were already busy on the next issue.

When News is "News"

It was at once decided to present the same article, unchanged, in The Financial Post. That fact immediately became news. Newspapers wrote editorials about it. J. V. McAree's Fourth Column in the Toronto Globe and Mail referred to it. Claire Wallace, in her popular "Tea Time Topics" over CFRB, talked about it twice.

Line Up For Copies

Last week The Financial Post almost doubled its usual press "run," printing 45,000 copies instead of the 24,000 printed the previous week. The Post came out Thursday morning. By noon it was necessary to stop the presses, which were already printing another publication, put The Financial Post stereo plates back on and print an additional 27,000 copies. But wires continued to come in from all over Canada asking for more copies. The demands of buyers were insatiate. Everyone from lieutenant governors down was wanting to read Mr. Baxter's beautifully written but frank and telling account of "Why Edward Quit." Fifty people lined up outside one big Toronto store to buy copies of The Post as soon as the store opened.

Monday morning the plates had to go back on the press while another 12,000 copies were run off, bringing the press run of The Post to 84,000 copies. News dealers reported that the demand was still continuing; that every one of the 84,000 copies and possibly more would be sold.

In staid clubs professional men were talking about Mr. Baxter's article; in beauty parlors women read it as they got their permanents; nurses discussed it with their patients; people bought six, eight or a dozen copies to send to friends in England, Europe and the United States. Telephones leading into The Financial Post and Maclean's Magazine offices were overloaded with congratulatory messages and frantic pleas for extra copies.

All in all, it was an event unprecedented in Canadian journalism. There have been Haileybury fires, Moose River mine disasters and abdications that have kept the public tense and eager for news. When such things take place newspaper circulations go up sharply. But it is unusual for a single article, written by one writer for one paper—or, as it happened in this case, for three sister publications—to be a newspaper sensation in every town and city from coast to coast; to occupy the news stand spotlight alone for over a week.

The acclaim was spontaneous and rose simultaneously to a high peak in Nova Scotia and British Columbia

(Continued on page 2, col. 5)

General Motors Activity Slower

Plants of General Motors of Canada are still operating, but at slow tempo—waiting and hoping for the stampings and other essential parts that must be forthcoming from the U. S. before production can once more be resumed. Current activity has pretty well narrowed down to Oldsmobile, Pontiac and trucks, The Financial Post understands. The chief aim is to avoid a complete shutdown if at all possible.

Meanwhile the sorry spectacle of the largest bank of unfilled orders in the company's history continues to pile up from sales points throughout the Dominion and other countries served by the Canadian corporation.

Orange Crush May Pay

Hope that dividends might be inaugurated on the preferred shares of Orange Crush Ltd. when the first payment is due in May, was expressed by E. P. Taylor, president, at the annual meeting of the company.

Dominion Life Shows $164 Millions in Force

A substantial gain in business in force is reported in preliminary figures issued this week by Dominion Life Assurance Co. of Waterloo. The total at the end of 1936 is shown at $164 millions, an increase of $8.7 millions over 1935.

Total assets are increased $2.7 millions to $33.7 millions.

A summary of comparative figures follows:

Dominion Life	1936 $	1935 $
New ins. issued	23,436,796	23,180,974
Bus. in force	164,019,813	155,279,029
Premium income	5,028,123	4,715,470
Total income	7,772,710	6,896,087
Policy payments	2,960,511	2,988,628
Total assets	33,758,945	31,098,870
Policy reserves	27,640,537	25,650,827

Gold Demand Denied By Price Bros. Trustee

From Our Own Correspondent

MONTREAL.—As trustee for the holders of the bonds of Price Bros. & Co. Montreal Trust Co. has issued an official statement to the effect that at no time was any demand made upon it by Pacona Ltd. for the payment of the bonds in gold or its equivalent.

Dome's Tonnage Rises in 1936

An estimated net profit of $4,281,151, before depreciation, depletion and reserves, was made by Dome Mines in the year ended Dec. 31, 1936, according to an official estimate.

During the year, 553,900 tons of ore were milled, compared with 549,100 tons milled in 1935. From this tonnage, 206,528 fine ounces of gold were produced, as against 206,795 fine ounces produced in 1935.

Highlights

Cars Aid Construction

Canadian motor company building programmes total $8 millions for 1937. Page 10

Business Gain

Business in Dominion shows gain of 9% for 1936. Page 7

What Price Stocks?

Earnings and share values of leading Canadian companies compared in analysis. Page 3

Where Are the Scholars?

Survey of U.C.C. records traces careers of head boys of the school. Page 13

Surtax Calculation

Examples of income analysis for purpose of calculating assessm for surtax discussed. Page

Taxes Block Building

Mayor of Lindsay, Ont., suggests 50% cut in real estate taxes to help construction industry. Page 12

Export Trade Tops Billion

A 27% gain in Canada's domestic exports in December brings total export trade of the Dominion in 1936 to $1,028 millions, according to a preliminary estimate by The Financial Post. This is an increase of $190 millions or 21% over the corresponding figures for the calendar year 1935.

Summary of the week's figures is shown below. For further details see page 7.

		—Change— From prev. period %	—Change— From prev. year %
Monthly:	**December**		
Building permits	$3,225,274	+6	+34
Wheat flour exp., bbls.	475,282	+16	+7
Wheat exp., bush.	20,427,916	—39	+19
Exports (domestic)	98,074,000	—18	+27
Newsprint prod., tons	289,312	+1	+18
Raw cotton imp., lb.	20,842,725	+1	—6
Steel ingot prod., tons	103,952	+5	+5
Pig iron prod., tons	63,499	—7	—3
Petroleum, imp. gal.	60,589,143	—58	+9
Weekly:			
Car loadings, No.	45,005	+20	+31
Cattle sales, No.	22,400	+53	+15
Hog sales, No.	30,695	+64	+22

To Continue Ottawa Pacts Temporarily

But Believe No Guaranteed Free Entry in U. K. Agreement

OPEN UP TO TEXTILES

From Our Own Correspondent

OTTAWA. — In the new British trade agreement, practically ready for signature, Canada is believed to have secured a full extension of the 1932 Ottawa agreements in so far as important food products exports are concerned. This would mean that the present generous quota on bacon would stand and that for the time being there will be no interference with exports of canned goods, dairy products, fruit and similar goods.

Quotas May Come

It is believed, however, that there is one significant difference from the old agreements. Whereas under the latter the British market was guaranteed for a definite term of years, three years in some cases and five in others, under the new arrangement no time limit will be set. While nothing in the way of further quotas or tariffs is contemplated immediately there is a possibility that such may be imposed on short notice. In other words the coming agreement will be like renting a house on a month to month basis.

Protect U. K. Agriculture

Great Britain's refusal to extend free entry to agricultural products for a definite term of years is believed due to possible conflict of such a course with her own farming plans. In the last five years agriculture in the United Kingdom as a result of tariffs, quotas and subsidies, has developed rapidly.

Lumber, Textiles, Steel

It is understood that the new agreement will not interfere in any way with Canada's present important export of lumber to Great Britain.

In return for United Kingdom favors, Canada, it is said, has made valuable tariff concessions to the United Kingdom, notably in the textile field, where it is believed that all specific duties have been abolished. A beginning was made in wiping out these poundage tariffs in the Dunning budget of May, 1936, mainly in cottons, but there were a considerable number left in woollens, carpets, hosiery and other textile lines.

Concessions in iron and steel items, in some boots and shoes, and in machinery and equipment lines are understood to be contained in the agreement.

London's View

From Our Own Correspondent By Cable.

LONDON, Eng.—The interests of Canada and other British Dominions are vitally concerned in the negotiations now under way leading toward an Anglo-U.S. trade pact. The fact that Canada has virtually concluded her treaty with Great Britain makes the Canadian position more secure, but other Dominions are definitely worried as to the security of their British markets.

With Rt. Hon. Walter Runciman, president of the British Board of Trade now at Washington to discuss trade relations between the two countries, prospects appear bright that a major agreement will be consummated shortly. Reports from Washington have indicated that a triangular trade agreement between Canada, United States and Great Britain might be necessary in view of certain overlapping matters such as coal which directly involve the three countries.

It is not believed that the announcement of the Canadian pact will be delayed on this account or that there will be any difficulty in rounding out a Canada-U.K. settlement.

Play for Big Stakes

In present negotiations with United States the British Government is playing for very big prizes in the international trading arena. It is learned officially that Rt. Hon. alter Runciman is not prepared to offer any concessions to United States to bring about the proposed treaty. The trade balance now heavily favors the United States, Runciman points out, but the United Kingdom is open to suggestions from Washington as to how the U. S. hopes to retain its advantage.

United States Washington agrees to a treaty safeguarding its present markets in England, the British Dominions will almost certainly oust the United States from this field. On the other hand, Washington negotiations are calculated to spur Australia, New Zealand and South Africa to conclude a renewal of Ottawa treaties.

Unless they do this in a hurry, their chances of an enlarged market in the United Kingdom may be imperilled by the Washington negotiations.

United States officials here are keenly aware that Runciman has two strings to his bow and that he is almost certain to score. They fear competition of the Dominions.

• • •

Ottawa Viewpoint

From Our Own Correspondent

OTTAWA.—In official quarters here there is no confirmation of the report that the Canada-U.K. agreement is tied up with the Anglo-American negotiations or that there will be any difficulty proceeding with the Canadian agreement pending the settlement of other negotiations.

"When the BLUE of the Day meets the BLACK of the Night . . ."

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I am interested in buying well-selected gold mining shares. Mail without charge, booklet described above to:

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Eastern Light & Power Plans New Stock Issue

From Our Own Correspondent

MONTREAL.—Eastern Light and Power Co., which took over the old Cape Breton Electric Co., has made application to the Nova Scotia Board of Public Utilities for authority to issue 53,000 shares of a par value of $10 each.

Statistician Available

Young Canadian, 22 years, desires to make connection as statistician in stockbroker's office where initiative will be appreciated. Has 3½ years experience as statistician in Canadian and New York Securities in Toronto and London, England. Excellent references and capable of taking charge of small department. Available about February 15th.

BOX 10—THE FINANCIAL POST, Toronto, Can.

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THE ROYAL BANK OF CANADA

OVER 700 BRANCHES IN CANADA AND 30 OTHER COUNTRIES

The Nation's Business

(Continued from page 1)

measure of control must be exercised. It is not to be expected that the public will passively submit to another orgy of speculation and subsequent depression.

Capitalism must prove its superiority to other systems by demonstrating an ability to maintain the general economy on an orderly basis. Steps have been taken and others are being considered by monetary authorities in the United States to limit inflationary forces. These changes will have their effect in Canada, whose economy is closely allied with that of the United States. As Mr. Wilson says, the adoption of control measures at this stage is not premature if the system is to survive.

* * *

Mr, Roebuck Misrepresents

THE Ottawa Valley Power Co. has denied in no uncertain terms statements by Hon. Arthur W. Roebuck, attorney-general of Ontario, concerning cancellation of the company's power contract and the subsequent litigation against the Hydro-Electric Power Commission of Ontario. In its reply through its solicitors to allegations by Mr. Roebuck, the company as much as says the attorney-general was deliberately untruthful in representing that the company has been unwilling to negotiate for a compromise in the power controversy. Nine instances are cited to prove that the company has been willing, throughout the controversy, to discuss a compromise.

After winning a decision against the Hydro in the Ontario appeal court, the company issued another writ bringing its claims for payment up to a more recent date. And shortly before issuing the second writ, the company's solicitors reiterated their client's willingness to discuss changes in the power agreement in view of industrial conditions.

Mr. Roebuck replied promptly to the solicitors for the company and published his letter. Among other things, it stated:

1. "Representatives of your clients were in actual conference with the Hydro-Electric Power Commission and were engaged in discussion of methods and terms of settlement when in the midst of the consultation, you withdrew, and, without notice, issued your writ.

2. "Your clients . . . refused an offer to discuss a proposed purchase by the Commission from your company of the Commission's additional requirements for this winter's peak load, voluntarily leaving the Commission to obtain its added supplies of power from the Gatineau company."

* * *

THE company has now made it plain that it advised the Government and the Hydro before issuing its first writ on Jan. 20, 1936. On Dec. 18 and 19, 1935, it is stated, an offer of settlement to avoid litigation was made to the Ontario authorities. On Jan. 9, 1936, the company asked for a fiat to sue, but stated through H. J. Symington, K.C., that it preferred a bad settlement to a good lawsuit. Solicitors for the company state further that on Jan. 15, 1936, they wrote to the attorney-general repeating the request for a fiat and sent a copy of the letter to the Hydro Commission chairman.

In the absence of contradiction, these statements from responsible solicitors must be accepted as proof of misrepresentation by Mr. Roebuck when he says the company initiated its suit without notice.

As to Mr. Roebuck's second allegation, counsel for the company states:

"I am instructed by my clients (Ottawa Valley Power Co.) to say that your letter is the first intimation they have ever received of a desire on the part of the Commission to purchase power for their winter requirements. They are unable to understand your reference."

The inference of further misrepresentation by Mr. Roebuck appears unmistakable.

Finally, the company has again stated its willingness to discuss a temporary adjustment of the power contract to help the Ontario Hydro solve its problems. No businessman will doubt that the company is anxious to make a settlement rather than to prolong its costly litigation. Unfortunately, Mr. Roebuck is not in this category.

The matter is of great importance because it demonstrates again the depths to which the Ontario Government is willing to descend, which is further emphasized by new legislation to put the Hydro beyond the law, in its campaign to destroy the value of the power bonds that investors bought when they relied upon the good faith of the province.

* * *

Mr. Hepburn's Chance

IT MAY prove fortunate, rather than the reverse, that Premier Hepburn has been compelled, for the sake of his health, to take a rest in Arizona while Mr. Roebuck has been stirring up more power troubles. The Premier will have an opportunity to study the Hydro problem dispassionately from a distance.

The Toronto Globe and Mail, which is close to Government affairs, stated recently that Mr. Hepburn will make a study of Hydro matters himself, and, if he is not entirely satisfied, will employ independent engineers to report on the Ontario power situation. By this laudable method, there is still a way open for the Premier to correct any errors in the administration of the Ontario Hydro by the present Commissioners, one of whom is Mr. Roebuck. The honest people of Ontario and of Canada will continue to wish for Mr. Hepburn's return in good health to his administrative tasks in the hope that he will seize his opportunity to correct the Hydro repudiation by arranging amicable settlements with competent and independent advice. Mr. Hepburn can still rescue the good name of Ontario from the gutter in which it has been dragged by short-sighted politics.

New York Syndicate Offers Canadian Loan

A syndicate headed by Morgan, Stanley Co. is offering $85 millions of Dominion of Canada bonds in New York. This is one of the largest foreign issues offered in the United States since passage of the 1933 Securities Act.

The issue consists of $30 millions of 2¼% seven-year bonds, due Jan. 15, 1944, and $55 millions of 3% 30-year bonds, due Jan. 15, 1967. The 2¼% bonds are being offered at 99½ and the 3% bonds at 98. Expectations are that the short term bonds will be quickly oversubscribed and that the long term bonds will receive favorable reception.

The 2½% bonds are redeemable on and after Jan. 15, 1943, and the 3% bonds Jan. 15, 1942.

Proceeds of the issue will be used, together with funds from the Dominion treasury, to meet a maturing 5% issue in New York on March 1, amounting to $89.7 millions.

Five Canadian investment firms are participating in the underwriting. The amounts underwritten by them are as follows:

	7-Year 2¼% Bonds	30-Year 3% Bonds
A. E. Ames & Co...	1,059,000	1,941,000
Dominion Securities	1,059,000	1,941,000
Wood, Gundy & Co.	1,059,000	1,941,000
McLeod, Young, Weir	706,000	1,294,000
Royal Securities ..	424,000	776,000

Crooks Hide Behind Mining "Front Men"

(Continued from page 1)

ment. On its board of directors are reputable and sincere men. Nevertheless, behind it all lurks the figure of this swindler. This apparently clean set-up may be a smoke screen to hide other activities of A.

It is strongly suspected that it is Mr. A.'s money which is financing a third firm in Toronto. This third firm will be called for the sake of clarity, B. & Co., and it can form our third example.

B. & Co. has been selling stock by persuasive literature, followed up by high-pressure telephone sales talk. The Post does not argue that this is illegal under existing regulations. Legally, B. & Co. is within the law. We will see how healthy its set-up really is.

Who is B.?

A representative of the Ontario Securities Commission recently telephoned the company and asked to speak to Mr. B. Instead of getting the man whose name appeared as the firm's head, a John Jones came to the telephone. The Commission asked him to pay them a visit.

John Jones visited the Commission and was questioned. He said that Mr. B. was a Montreal man who had come to Toronto, intending to identify himself with the company, but had decided against it. Questioned further, Jones said Mr. B. was staying at the Mount Royal Hotel. A long distance call to Montreal established that no Mr. B. was staying there, or ever had stayed there.

It is now fairly well established that there is no such person as Mr. B.

Jones was then asked who was putting up the money for the firm. He mentioned the name of a third man, who, he said, was a director of the company. The third man was summoned, and turned out to be a harmless fellow of about 24 years of age, who knew little about the company, and was without any financial standing. Pressed further on this point, Jones said the money was coming from still a fourth man. The fourth man turned out to be a former chauffeur and bootlegger. This man admitted having put up $2,000 to start the firm.

"We will examine your bank account and see if you withdrew that much money at the time the firm started," the official told him.

"You won't find any record of a withdrawal," was the reply. "I got the money from my cash. I always carry large sums on me."

Asked to empty his pockets, this financial giant was found to have some small change, and other odds and ends.

Mystery Money

No one, apparently, yet knows who is putting up the money to finance B. & Co. Yet B. & Co. is still merrily selling stock.

Is it unreasonable to suggest that the license of B. & Co. should be cancelled, or even suspended until it is definitely established who is putting up the money, and supervising their methods?

If this cannot be established, public opinion would certainly be behind the authorities if they put B. & Co. out of business. True, those who had already bought stock would suffer, but it is doubtful if, against this background, they would ever collect anything anyway. In the meantime, other "investors" would be spared.

The Financial Post does not believe that a term in jail converts many stock swindlers.

Take the case of Mr. C. Mr. C. served time in a Canadian penitentiary for operating a bucket shop some years ago.

Mr. C.'s Comeback

In the course of time, Mr. C. emerged, and the word went out that he was trying to make a comeback. He was left more or less to his own devices.

He became identified with a Canadian mining company, of ramified connections, and stock in a subsidiary company was sold up to 28 cents per share. About eight months ago it became noised abroad that all was not well with the parent company. The books were examined by officials, and it became evident that Mr. C. was "short" on some of the subsidiary stock valued at some $10,000 at current prices.

The parent company went into bankruptcy. Immediately, of course, stock in the subsidiary company dropped from 28 cents to three and four cents per share.

Mr. C., The Post is informed, was permitted to pick up this stock at these prices, and make delivery to clients who had paid as high as 28 cents for the stock.

Mr. C. is still at large, and a firm in downtown Toronto is generally understood to be "fronting" for him.

These examples could be added to the extent of several columns. There are offices in Toronto which are equipped with 15 or 20 telephones. Beside the 'phones are card index systems giving the names and particulars of hundreds of "suckers."

If these firms have not licenses to sell, their guiding geniuses should be put in jail. If they have licenses to sell, the very fact that other outward and visible signs of a boiler shop exist in their offices should be sufficient justification for cancelling them.

Two years ago, it would have been. Why is it not today?

In the power to grant licenses, and to suspend and cancel them, The Post believes that Ontario fraud authorities have a tremendous weapon to wield in the fight for clean mining promotion, a weapon which is immune to technicalities.

Public opinion does not stand on technicalities.

NEW APPOINTMENTS

H. NORMAN WATT

J. ROSS GRAY

Announcement has just been made by The Canada Life Assurance Company of the appointment of Mr. H. N. Watt as an Assistant Secretary and of Mr. J. Ross Gray as an Assistant Actuary of that Company.

Mr. Watt was formerly an Assistant Superintendent. He joined the Canada Life in 1914. After returning from overseas, he resumed his association with the Company and his wide and varied experience both in Branch Offices and many departments at Home Office will be invaluable in his new position.

Mr. Gray joined the Canada Life Actuarial Department in 1924. He qualified as a Fellow of the Actuarial Society of America in 1932.

Baxter Story Sets Record; 3 Million Readers Stirred

(Continued from page 1)

bia and on the prairies just as it did in Toronto and Montreal.

What the incident revealed is clear enough; that the tragedy of Belvedere struck deeply into Canadian hearts; that a month after the abdication Canadians were still stunned and bewildered, still not satisfied that they knew exactly what had happened and why it had happened. Beverley Baxter, a master craftsman of dramatic news writing, answered their questions.

It is announced that still a third MacLean publication will carry the Baxter story. Chatelaine, Canada's leading magazine for women, with a circulation of 225,000 copies, will appear with the article Jan. 25.

This will make a total circulation on the three MacLean publications printing this article of nearly 600,000 copies or probably 3,000,000 readers.

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax ...	5	1961	114.50	116.00	3.97
Hamilton ..	5	1950	112.00	113.50	3.72
Montreal ..	5	1945	106.00	107.50	3.92
Ottawa ...	4½	1945	109.00	111.00	3.00
†Quebec ...	5	1959	106.00	107.50	4.46
Saint John.	5	1950	107.50	109.00	4.14
†Toronto ...	4½	1955	112.50	114.50	3.42
†Vancouver	5	1950	94.00	98.00	5.21
Winnipeg ..	5	1944	98.00	102.00	4.67

†Payable Can. and N.Y.

A time-tested tribute

For 42 continuous years, the total resources of Investors Syndicate have consistently mounted. Never, during that long term has Investors Syndicate failed to meet its obligations promptly when due. To-day, more Canadians than ever are turning to Investors Syndicate for LIVING PROTECTION—a tribute in itself to the stability, strength, and conservatism of a financial institution that has aided thousands of men and women to attain financial independence.

Our last balance-sheet and full particulars of the plan of *LIVING PROTECTION* will be gladly mailed on request.

INVESTORS SYNDICATE

Established 1894

Agency offices of INVESTORS SYNDICATE LIMITED (*Head Office: Montreal*) and INVESTORS SYNDICATE (*Head Office: Minneapolis*) at St. John, N.B., Montreal, P.Q., Toronto, Ont., Hamilton, Ont., Windsor, Ont., Winnipeg, Man., Regina, Sask., Calgary, Alta., Edmonton, Alta., and Vancouver, B.C.,

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Jan.	....	....	Apr. '37	$25,000,000	99.816	.747%
Canada ...	Jan.	Morgan, Stanley & Syndicate	2¼%	1944	30,000,000	.....	....
			3%	1967	55,000,000	.....	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Woods Manufacturing	Jan. ...	Hanson Bros.	3, 3½, 4%, 4½%	1932-47, 1952	$440,000, 260,000	100	....
Maritime Electric Co.	Jan.	Royal Securities Corp.	5½%	1956	400,000	100	5½%
Stock Issues—							
Pato Consol. Gold Dredging	Jan.	Greenshields & Co.	....	....	400,000 shs.	$2.50	.....
Inspiration Mining & Dev. Co. ..	Jan.	Nesbitt, Thomson & Co.	....	....	1,000,000 shs.	$1	.....

Travelling, at home or abroad? . . . Let Canada's oldest bank arrange your travel funds.

Head Office: MONTREAL

Travellers Cheques and Letters of Credit are obtainable at any of the Bank's 500 branches.

BANK OF MONTREAL

ESTABLISHED 1817

MODERN, EXPERIENCED BANKING SERVICE . . . the outcome of 119 years' successful operation

TOTAL ASSETS OVER $800,000,000

"I've always wanted a Little Shaver!"

GOOD—then delay no longer! Step into SIMPSON'S right away and see the last word in modern shaving . . . the new electric "SCHICK" SHAVER. It's not a razor, for it has no blade and needs no lather for shaving. You simply plug it into your nearest electric outlet and a clean, comfortable shave is yours in a jiffy. What's more, the "SCHICK" Shaver will not harm the tenderest skin. Not only is it kind to your face, but it's easy on your pocketbook for you have no blades, shaving cream or lotions to buy. Come in for a demonstration!

Cutlery Department—Street and Sixth Floors.

"Schick" Dry Shaver 16.50

Convenient Home Lovers Club Terms arranged at no extra charge!

Simpson's

Marconi Denies Order

MONTREAL.—Canadian Marconi Co. officially denies the story that the company has received a contract from the Dominion Government for $200,000 covering the manufacture and installation of radio beam apparatus for the Trans-Canada Airway.

BALANCE SHEET OF THE Toronto Mortgage Company
As at 31st December, 1936

ASSETS

Office Premises in Toronto Street unencumbered		$ 45,000.00
Real Estate held for sale		101,966.35
Mortgages at face value less provision for possible depreciation—		
Principal	$4,086,599.12	
Interest due	11,033.35	
		$4,097,632.47
Loans on Stocks and Bonds		12,500.00
Securities of the United Kingdom, the Dominion of Canada, and its Provinces	$ 441,798.05	
Securities guaranteed by the Dominion of Canada or by its Provinces	122,805.22	
Debentures of Canadian Municipalities	121,727.94	
Other Bonds and Debentures	25,994.54	
		$ 712,326.75
Stocks fully paid up		127,500.00
Cash in Chartered Banks		130,952.68
Cash in Office		4,862.91
Total		$5,232,741.16

LIABILITIES

To the Public			
Debentures Sterling (£423,901:7:7)		$2,062,986.71	
Accrued Interest thereon		13,708.41	
Currency Debentures		659,191.12	
Accrued Interest thereon		12,042.76	
Deposits, Savings Accounts		146,508.78	
Reserved for accrued Taxes		25,000.00	
			$2,919,437.78
To the Shareholders			
Capital Stock subscribed	$986,500.00		
Capital Stock fully paid		$ 986,500.00	
Reserve Fund		1,165,002.00	
Dividend declared and unpaid, due 2nd January, 1937		29,595.00	
Profit and Loss Account, Balance carried forward...		132,206.38	
			$2,313,303.38
Total			$5,232,741.16

PROFIT AND LOSS ACCOUNT
For the year ending 31st December, 1936

Dr.	
Interest on Sterling Debentures paid and accrued (£17,510:16:4)....	$ 85,219.29
Interest on Currency Debentures paid and accrued	29,532.85
Interest on Deposits	2,900.65
Charges on Moneys borrowed and lent	7,612.73
Cost of Management, viz.:—Salaries, Directors' and Auditors' fees, Office Rent, etc.	27,527.01
Dominion, Provincial and Municipal Taxes	24,848.93
Dividends on Capital Stock of $6.00 a share	118,380.00
Balance carried forward	132,206.38
Total	$ 428,227.84
Cr.	
Balance brought forward	$ 121,616.08
Interest on Investments, and net rental from Office Premises	306,611.76
Total	$ 428,227.84

W. GILLESPIE, Manager.
THOS. H. WOOD, President.

We have audited the Books and Accounts of the Toronto Mortgage Company for the year ending 31st December, 1936, and have verified the cash, bank balances, and Securities of the Company. After due consideration, we have formed an independent opinion as to the position of the Company. In our opinion, so formed, and according to the best of our information and the explanations given to us, we certify that, with the reserves provided, the above statements set forth fairly and truly the state of the affairs of the Company and are in accordance with its books. All transactions of the Company that have come within our notice have been within the powers of the Company.

Toronto 12th January, 1937.

ARTHUR J. HARDY
H. D. LOCKHART GORDON, F.C.A. } Auditors.

News of Investments - - Analyses

What Price Stocks?

Common Shares Valued on Possible Earnings As Well as on Actual Profits and Dividends

By C. W. STOLLERY

Shares of many companies whose 1936 reports have already appeared seem to be selling at exceedingly high levels in ratio to actual earnings.

On the other hand, the more optimistically inclined can still point out that most stocks are selling at low ratios compared with possible earnings; using the earnings levels of 1929 as a measure of possibilities.

"Ten Times" Basis

A reader who refers to the old adage that stocks are worth about 10 times earnings points out that he can hardly find any common shares selling on this basis. He points out that on a "10 times" basis Consumers' Gas stock would be worth about $107 a share, compared with the present price of about $200; that Bell Telephone would be worth less than $60 a share; and that Montreal Power should be under $20.

This does not appear to prove much, except that the 10 times earnings valuation is practically worthless.

The use of a ratio of current-price-to-earnings on any common stock is really a way of measuring the "earnings yield." That is, a stock selling at $20 and earning $1 a share is selling at 20 times earnings; which is just another way of saying that it is earning 5%. If stocks were selling at 10 times earnings, it would be similar to saying they should earn 10% on the market price. It just isn't being done.

Are Stocks Too High?

The questions that arise first from the high ratios of stock market prices to earnings are whether this indicates that share prices are too high, and whether they are therefore due for a slump. While many reputable stock market commentators suggest that there are weaknesses in present price levels, they still favor investment in common shares for the long run. Which is much the same thing as saying that on the basis of recovery possibilities many shares may prove ultimately to have been moderately priced at present levels.

The actual or prospective dividend is an important factor in appraising common share values. In the case of a well-established company like Bell Telephone, for instance, the annual dividend of $6 a share certainly justifies a price of more than $100 a share for the stock; especially with yields on Government bonds at 3% or less.

Interest Valuation

The level of interest rates obtainable on prime Government bonds is one factor of importance in considering common stock prices. There is a sharp contrast between conditions in 1929 and those in 1937.

In 1929, the best Government bonds could be bought to yield 5% or more. Common stocks of the best companies, on the other hand, were selling at prices which gave yields as low as 1% or 2%.

In 1937, the yields on the best Government bonds are 3% or even lower. But prime common shares can be bought to yield 4% and more. Even though the present yields on high quality common shares may appear low, general business improvement has not progressed nearly as far as it had in 1929. Thus there are reasonable grounds for expecting further dividend increases in the next two or three years on some of the leading common shares.

With the yield on Government bonds as low as 3%, it does not seem unreasonable to buy a common share yielding 4% or 5%; that is, at 20 or 25 times the dividend. And if earnings are running substantially in excess of the dividend rate, it can be argued that there is justification for paying even more.

Another Measure

A more accurate, but still rough, way of appraising the relative levels of different common stocks is to take 10 times the dividend, adding five times the earnings and also adding one-quarter of the net equity per share. Even on this more general valuation basis, however, many wide discrepancies will be found in price bases of common shares.

Among the shares that sell on the highest earnings ratios are those of the building, construction and steel companies. Many of them, however, are selling far below 10 times the 1929 earnings. This is indicated by comparative ratios for companies whose 1936 reports have already appeared, as tabulated below.

Equipment and Construction Group

Stock:	Recent price	Times '36 earnings	Times '29 earnings
Dom. Bridge	56	99.8	10.3
N. Steel Car	54	594.0	6.1
Canadian Car	19	*	4.2
N. Sewer Pipe ...	21	*	2.9
Beatty Bros.	20	47.6	2.9
Kelvinator	35	11.7	*
Sherwin-Wms. ...	26	260.0	9.7
Group averages		203.0	6.0

*Losses make ratio incalculable.

It seems clear that values being placed on shares of this kind are based largely upon a feeling that the real recovery for these firms is only beginning. Even though this group of stocks is selling at more than 200 times the 1936 earnings, present prices for some of them would seem low if earnings were restored to the 1929 level.

Contrast in Stability

Shares of these equipment companies with comparatively poor profits sell at a very high ratio to the earnings. Shares of companies in the more stable service and consumer industries sell at lower ratios to earnings. This is partly due to the fact that the consumer and service firms have maintained or recovered their earnings already.

A characteristic group of shares in services industries is tabulated below:

Service Companies Group

Stock:	Recent price	Times '36 earnings	Times '29 earnings
Power Corp.	28	56.0	8.7
S. Can. Pwr.	17	25.0	13.8
Montreal Pwr. ...	37	*21.1	17.0
Loblaw, A	24	21.7	22.5
Laura Secord	75	18.8	12.7
Group averages		28.4	14.9

*Estimate.

The average of over 28 times earnings for this group is influenced disproportionately by the high price-earnings ratio for Power Corp. stock. There is a reason, however, for the seemingly elevated position of Power Corp. There is a greater potential increase in income for shares of this company than for the more stable operating utilities and services.

Omitting Power Corp., group ratio is 21.7 times 1936 earnings, and 16.5 times the 1929 earnings. The Power Corp. ratios serve to illustrate a principle which seems to run through the price-to-earnings conundrum. Shares that are selling at a great many times their current earnings are mostly selling at only a few times their previous peak earnings. In other words, the stock market seems willing to place a higher current value on shares that have demonstrated big earning power in the past.

Lower Ratios

A number of stocks in comparatively stable industries sell at lower ratios to current earnings than those tabulated in the foregoing, or at lower ratios to 1929 earnings. Among those that have reported for 1936, are the following:

Grain and Milling Group

Stock:	Recent price	Times '36 earnings	Times '29 earnings
Lake of Woods ...	42	18.1	8.6
Ogilvie Flour	250	23.7	8.4
Tor. Elevators	38	11.9	13.7
Group average		17.9	10.2

The flour milling shares reflect improvement in earnings but hardly seem to be discounting a return to the high earnings of 1928-29. Toronto Elevators sells at a comparatively low ratio to both 1936 and 1929 earnings, which may be due to the dividend being only $1 a share.

Conflicts in Beverages

Striking contrasts are obtainable by comparison of price levels of shares of alcoholic beverage firms with earnings. Including estimated earnings ratios for two brewing companies which have not yet published 1936 reports, they are tabulated:

Alcoholic Beverage Group

Stock:	Recent price	Times '36 earnings	Times '29 earnings
Canada Dry	29	82.9	4.2
Canada Bud	10	*10.0	6.6
Can. Ind. Alc. ...	7	21.9	3.7
Distillers-S.	27½	11.4	18.0
N. Breweries	40	*18.2	17.2
Walker-G. & W. ..	47	7.2	30.1
Group averages		25.3	13.3

*Estimate.

Among the observations that may be drawn from these ratios are the following:

1. There is apparently a belief that Canada Dry will improve its earnings.
2. Possibly the comparative stability of Canada Bud and National Breweries detracts from speculative interest in these.
3. Canadian Industrial Alcohol, Distillers-Seagrams, and Hiram Walker shares are selling at ratios to present earnings inversely to the ratios to 1929 earnings.

Is it possible that Canadian Industrial Alcohol shares are entitled to sell at over 21 times 1936 earnings because they are at less than four times the 1929 earnings? Do Hiram Walker shares sell only slightly above seven times 1936 earnings due to the consideration that they are selling at over 30 times the earnings of 1929?

These are questions that cannot be answered dogmatically. But it is evident that the simple 10 times earnings ratio means little or nothing in the stock market. And the generality appears fairly persistent that stocks are partly valued on their potential earnings as shown by past history.

How the Market Is Valuing Stocks

("What Price Stocks" Summarized)

Common stocks that are selling at a great many times their current earnings are mostly at only a few times their peak earnings of former years.

Shares of companies with comparatively stable earnings are not selling at as many times earnings as shares of companies that have not enjoyed substantial recovery.

Apparently the stock market is suggesting that economic recovery will go a good deal farther and that companies that have not yet had their share will get more than proportionate benefits from further business improvement.

ELECTED DIRECTOR

R. V. LeSueur, of Toronto, who has been elected a director of Montreal Trust Company. Mr. LeSueur is vice-president of both Imperial Oil Ltd. and International Petroleum Co., Ltd.

N. S. Power's Plan in Making

Consolidation of Debt Is Planned — New Rate Schedule

From Our Own Correspondent

MONTREAL.—Nova Scotia Light and Power Co. and seven of its subsidiary companies have made application to the Nova Scotia Board of Public Utilities for authority to issue additional securities.

In the case of the parent company, authority is asked to issue 3,000 6% preference shares and $7 millions of first mortgage bonds. The subsidiary companies are asking for approval covering the issue of only bonds, which apparently will be used as collateral to secure the parent company's first mortgage bond issue.

Proceeds of the bonds and shares of Nova Scotia Light and Power Co., which it is proposed to issue, are to be used for the following purposes: Redemption of the outstanding first mortgage bonds estimated at approximately $4.5 millions; for funding moneys already spent in acquiring shares of subsidiary companies, with the exception of Avon River Power Co., which has already been funded; funding the cost of further acquisition of shares and bonds of subsidiary companies; funding expenditures for plant additions.

New Rate Schedule

Nova Scotia Light also has filed with the Board for approval, a schedule covering reduction in the Bedford district electric rates to the level of those charged in Dartmouth.

B. C. Newsprint Mills Adopt Quota Basis of Distribution

From Our Own Correspondent

VANCOUVER.—So great has been the demand for newsprint in recent weeks that British Columbia mills have been compelled to adopt a quota basis for distribution.

Powell River Co. and Pacific Mills are allotting their production on a percentage basis because they could not fill the complete requirements of certain markets, yet do not wish to show discrimination toward any particular territory.

Remarkable Recovery

Export prices are now approximately 15% higher than domestic, according to newsprint executives.

"It has been one of the most amazing recoveries in all my experience," said a Powell River Company official. "We are simply swamped with orders, and other companies are in the same position. Indications are that we are a long way from the saturation point, too."

Charter rates have affected lumber business from British Columbia to some extent, as the rising rates have forestalled a few orders in the more distant markets; but with newsprint there is no such deterrent, as nearly all B. C. newsprint shipments are made on regular lines. Very little charter business is done.

The maritime strike has interrupted the regular channels of trade to some extent, but the B. C. newsprint mills have maintained shipments fairly regularly in spite of the waterfront tie-up at all American Pacific seaports.

The past year marked the record high in production by British Columbia newsprint mills, more than 270,000 tons of newsprint being produced, valued at approximately $12 mills.

New British Plant

British financial interest are behind the establishment of a pulp mill on the Fraser River at Sapperton, near New Westminster, which will be started at once. The plant will be operated at first as a sawmill.

Identity of the capitalists has not been disclosed, but it is understood that they are affiliated with pulp and rayon manufacturers in the United Kingdom who are seeking a larger Empire source of raw material.

H. L. Edmonds, K.C., New Westminster, has been acting for the British interests in negotiations with the city of Vancouver and representatives of the Brunette sawmill, which went into liquidation some years ago and is now to be taken over by the pulp people as a site. No special concessions, such as cheap water and tax exemption, are being sought. The company has already paid out $22,000 in options. The mill will be ready for operation within about 18 months and is expected to employ about 1,000 workers.

Other Projects

Several other pulp and paper projects are in the rumor stage in British Columbia just now. American financial interests have acquired a site for a pulp mill at Prince Rupert, but little has been done on this enterprise since last summer. Representatives of Crown Zellerbach Corp. are said to be negotiating for establishment of a mill in Burrard Inlet and, having been turned down in their application for power rights at Cheakamus canyon by the city of Vancouver, Meehan Brothers, timber engineers, are seeking rights to Campbell River and other Vancouver Island rivers.

Meanwhile B. C. Pulp & Paper Co. is going ahead with a $1,000,000 plant expansion and Powell River Co. and Pacific Mills, Ltd., the two big newsprint producers, are operating at 100% capacity.

Southern Canada Territory Active

Greater Industrial Activity Adds to Power Load

From Our Own Correspondent

MONTREAL.—Further expansion of industrial operations in its territory is reported by Southern Canada Power Co.

At Farnham, a new industry, La Co-operative de Tabac, has begun operations.

The Steadfast Rubber Co. has purchased a site of seven acres near Granby, where it intends to erect a modern factory next spring.

At Richmond, the National Hosiery Mills is tuning up its plant and will soon be in operation.

The Williams Collie Woollen Mills, at Ways Mills, are working overtime.

The Acton Silk Mills, at Actonvale, has taken on 20 additional employees.

The Canadian Celanese Co., at Drummondville, has added 25 employees to its payroll.

British American Silk Co., at Granby, is enlarging its premises and installing 50 new looms. The Nordic Hosiery Co., at the same point, is increasing its floor space and installing several new knitting machines.

At Rock Island, Butterfield & Co., manufacturers of tools, has taken on several additional employees.

Schick Dry Shaver is operating full time and has added a number of employees to its payroll.

James Maclaren Awarded $20,644

Court Orders St. Lawrence Sales To Refund Newsprint Drawback

From Our Own Correspondent

MONTREAL.—St. Lawrence Sales Co. has been ordered by the courts to reimburse James Maclaren Co. for the sum of $20,644, most of which the court ruled had unjustly been deducted in part satisfaction of a claim by a publishing firm controlled by William Randolph Hearst, for rebate of $600,000 on his paper purchases.

St. Lawrence Sales acted as sales agents for output of the Maclaren mill. This output covered orders filled for Brompton or Lake St. John. The majority of these orders were for the Newspaper and Magazine Corp., owned and controlled by Hearst.

The Hearst organization made a claim against Brompton and Lake St. John for $600,000, to which it was entitled as a result of a drop in price. St. Lawrence Sales estimated that of this amount, about $160,000 should be repaid by the Maclaren Co., as being attributable to the tonnage shipped by it.

To obtain this $160,000 rebate, the St. Lawrence Sales deducted $1.50 a ton from the purchase price payment it was remitting to the Maclaren mill. The Maclaren company sued for return of this money.

St. Lawrence Sales also made a deduction representing the commission given to the Hearst organization. This also was disputed by the Maclaren firm and judgment awarded in its favor.

Chem. Research Has New Plans

Important proposals from the Patent Club, now known as Gasoline Products Inc., are to be placed before shareholders of Chemical Research Corp. at an adjourned meeting at Detroit on Feb. 6, it is understood.

It is believed by officials that ratification of the proposals by shareholders will improve the situation of Chemical Research Corp.

The annual report, which has been delayed, is expected to be ready for presentation at the Feb. 6 meeting.

St. Lawrence Flour Mills Raises Common Dividend

From Our Own Correspondent

MONTREAL. — Directors of St. Lawrence Flour Mills have declared a dividend of 75 cents a share on the common stock, payable Feb. 1 to shareholders of record Jan. 20. Previously the company had paid 50 cents quarterly on the common, so that the current declaration places the stock on a $3 annual dividend basis.

At a recent special meeting, shareholders approved a proposal to split the stock three for one and the present dividend is probably the last to be declared before the subdivision is effected.

It is anticipated the new stock will go on a regular annual dividend basis of $1 a share.

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Montreal Curb Market
Commodity Exchange Inc.
Canadian Commodity Exchange Inc.

Investment Trends

Stock Market Trend Hangs in the Balance

Signs of Possible Weakness Partly Offset by Strength of Public Utilities — Investors Willing to Retain Common Shares Through Recessions

Churning of stocks around their high points for the past year, without notable progress, is viewed as one of the most unfavorable indicators of the prospective price trend. It is regarded as a sign of distribution of shares into weaker speculative accounts.

On the other hand the distinct upward move of public utility shares in New York is one of the most encouraging features in the current uncertainty over price movements.

Pending clarification of the stock market situation, by indication of a definite near-term trend either upward or downward, investment authorities continue to advise caution in making new purchases of common shares.

Devaluation of the franc is beginning to stimulate share prices on the Paris bourse. And French industry is also more active. The extension of economic improvement in the gold currency countries is an important contribution to the international recovery. It promises to be an important influence for better trade and for firm commodity prices this year.

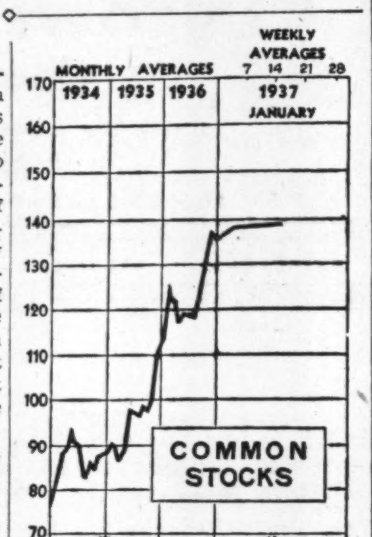
Marked improvement in January retail sales appears to be continuing.

Investment opinion is growing more favorable toward shares of producing oil companies.

Market Signposts

IMPROVEMENT in prices for public utility shares have been a notable feature of stock markets this month. In both Canada and the United States this is attributed to diminishing fears of political interference in the industry. The rise of averages for Wall St. utilities apparently marks an upward tendency ahead. This is interpreted as an offset to unfavorable performance of railway shares, which for three months has beclouded the strength of industrials. But the improvement in utilities still leaves doubt about the ability of industrials to resume the rise of last year.

There are still indications that the period of temporary uncertainty for stock prices is not concluded, such as labor troubles, increased speculation, and the sluggishness of market averages. But the underlying inflationary influences in business and finance promise to bring further expansion of economic recovery and higher prices for stocks in the long run, once the weaknesses are eliminated by natural market corrections. Consequently, there appears to be justification for the widespread investment opinion that the time has not yet come to sell stocks indiscriminately; and this is reflected in a willingness to retain stocks, even through substantial recessions, until recovery develops into more widespread prosperity.



FURTHER GAIN

Dominion Bureau index of common stock prices for the week ended Jan. 14 was 139.1 compared with 137.5 for the preceding week. This compares with 112.5 a year ago. Comparative figures appear on this page.

* * *

Good Farm Year?

MANUFACTURERS of farm implements are among the largest buyers of iron and steel for processing at present. Apparently they look for an active year's business.

The main reason for optimism is that higher prices for agricultural products have hardly exerted their maximum effects yet. Last year's crops were none too good in many parts of Canada. If present prices were effective in a season of normal crops, especially in western Canada, the demand for new farm equipment might be of boom proportions. That is the favorable possibility. Taking a more conservative view, conditions for the farm implement and supply companies in 1937 hardly seem likely to fall below the standard of 1936.

* * *

Textiles and Tariffs

FOREWARNINGS have been given in this column for more than a year regarding the probability of substantial tariff concessions on textiles, especially under the renewal of the 1932 Empire trade agreements. When the adverse news is out, the time may soon approach when textiles should be reconsidered as suitable for investment. Despite the problems arising from tariff concessions, Canadian companies such as Dominion Textiles, Canadian Cottons, silk processors and some of the knitting firms, appear capable of improving earnings, given further extension of general business gains. While sensational improvements in textile earnings are hardly likely, the worst may soon be over.

* * *

Copper Shares

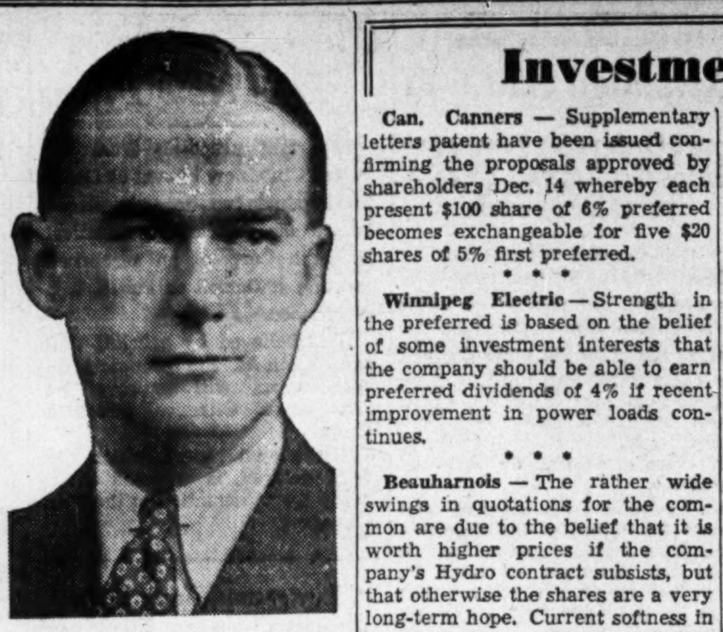
COPPER has reached 13 cents a pound and the decrease in inventories of the past year appears to justify improved prices, even though speculation in the metal is blamed for part of the recent rise.

Investors in copper shares may be wise to keep in mind the fact that every rise in price encourages higher production. Nevertheless, the current price is high enough to allow most Canadian producers to make substantial profits. Copper shares do not appear generally to have overdiscounted their improved prospects.

* * *

Trusts and Loans

RETURNS of 1936 earnings by trust and loan companies are beginning to appear in rapid succession. In the main, they show maintenance of profits or slight improvement. It appears that the low point has been reached, and in view of ample provisions already made for possible losses, shareholders in most of these companies can look for gradual improvement, even though they may have to wait some time for higher dividends.



STORE MANAGER

Edgar G. Burton, who has been appointed general manager of the Toronto store of the Robert Simpson Co. Ltd. Mr. Burton is the eldest son of C. L. Burton, president and general manager of the company. Recently he has been head of the women's outer garment departments. He has been in the employ of the company for 11½ years.

Simpsons Names New Store Head

E. G. Burton Promoted — Several Staff Changes

Announcement has been made by the Robert Simpson Co. Ltd. of the appointment of Edgar G. Burton to the position of general manager of Simpson's Toronto store. Mr. Burton is the eldest son of C. L. Burton, president and managing director of the company, and has recently been head o the women's outer garment departments.

Coincident with Mr. Burton's appointment, the following managerial changes are announced:

In the Robert Simpson Eastern Ltd. and the Robert Simpson Western Ltd., the mail order branches of the business under H. H. Bishop, vice-president; F. L. Smith, manager at Halifax, becomes general manager of the mail order and retail stores with headquarters in Toronto; John M. Brady, manager of the New York office, becomes manager of the Halifax branch; H. V. Dalley, Regina manager, comes to Toronto to take charge of the catalogue and general mail order publicity. R. V. Knowlton, manager of the supply department, has been appointed manager of the New York office, with Miss Jean Harris as his assistant. George McDowell becomes manager of the supply department.

St. Regis Paper Plan Meets With Approval

From Our Own Correspondent

MONTREAL. — St. Regis Paper Co., which, through a subsidiary, holds large timber limits in Quebec, has had its charter amended by the shareholders, permitting the company to engage in business in any state in the United States and foreign countries.

Passage of the amendment was said to place the company in a position to simplify its corporate structure by a merger or consolidation with its subsidiaries.

Investment Notes

Can. Canners — Supplementary letters patent have been issued confirming the proposals approved by shareholders Dec. 14 whereby each present $100 share of 6% preferred becomes exchangeable for five $20 shares of 5% first preferred.

* * *

Winnipeg Electric — Strength in the preferred is based on the belief of some investment interests that the company should be able to earn preferred dividends of 4% if recent improvement in power loads continues.

* * *

Beauharnois — The rather wide swings in quotations for the common are due to the belief that it is worth higher prices if the company's Hydro contract subsists, but that otherwise the shares are a very long-term hope. Current softness in Beauharnois securities is attributable, of course, to the new legislation in Ontario to outlaw power contracts.

* * *

Industrial Acceptance — Investment dealers' circulars in connection with the recent offering of 4% notes suggested that the privilege of conversion into class A shares at $50 would be valuable. This reflects opinion that the A shares are reasonably priced around $36 in view of earnings of about $3.50 a share in 1936 and forecasts of $4.50 a share for 1937.

* * *

Union Gas—"It is our impression that shareholders may expect larger dividends in future in view of the favorable outlook for improvement in earnings," says an analysis by W. C. Pitfield & Co.

* * *

Southern Canada Power—Monthly reports on operating revenue indicate a more favorable trend. During the first quarter of the current fiscal year, both gross and operating revenues were higher than for the same period a year ago. Surplus, after dividends, at $9,260 shows an increase of $3,446.

* * *

C. P. R.—The stock market commentator of the Stock Exchange Gazette, London, England, remarks that C. P. R. non-cumulative preference stock has again reached 60. He adds: "To say that this expresses a hope of some dividend in 1937 is to put the matter mildly, for there are advisors so 'bullish' as to talk about the prospects of 1% on the common stock. At present, I am bound to say that I would rather buy the preference as a reasonable speculation."

* * *

N. B. Power Co.—Final decision has not yet been reached in regard to the redemption of New Brunswick Power Co.'s first mortgage bonds. The matter is now in the hands of Federal Light & Traction Co., New York, the parent company, for attention, and it is expected that a definite statement will be made some time before the maturity date of March 1.

* * *

Lehman Corp.—American investing firm reports, for the second half of 1936, sale of all 5,000 shares of its holding in **C. P. R.** and addition of 5,000 **International Nickel** to its former holding of 20,000. The company reduced its holding of **McIntyre Porcupine** from 10,000 to 9,600 shares.

* * *

International Nickel—This is a favorite with U. S. investment trusts. Central-Illinois Securities Corp. increased its holdings from 1,000 to 3,000 shares in 1936.

* * *

Newsprint Stocks—This class of securities showed signs of softness during the week. This was not unexpected in view of the very rapid increase in values due to speculative buying. Practically all of the bonds and stocks shared in the advance. Buying has taken place with little consideration of current position or future prospects, speculators taking the group for a "ride."

* * *

Base Metals—Lower prices for base metals adversely affected the market value of Noranda and Smelters stocks. Lead and zinc were off sharply early in the week and Smelters dropped to around 75.

* * *

Aircraft Shares—Provision in Dominion Government budget estimates for an increase of over 100% in expenditures by the Air Force during the coming year has had the effect of strengthening the market price for Fairchild and Fleet Aircraft stock. Shares of both these companies were put on the market recently and already substantial paper profits have been made by the holders.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's. 87
1929-35:*												
High	†100.0	113.4	273.4	423.5	113.5	197.8	205.4	†100.0	†100.0	317.6	166.0	232.6
Low	....	2.8	37.7	83.6	28.0	72.1	28.5	....	....	49.3	33.1	40.9
Monthly Figures, 1936:												
Jan.	....	18.6	80.0	231.0	75.5	153.6	151.7	....	....	187.7	52.4	117.8
Feb.	....	20.2	84.3	246.5	74.0	158.7	151.7	....	....	200.0	57.0	126.1
March ..	....	18.5	88.7	237.3	73.1	153.0	140.1	....	....	194.8	55.5	122.8
April ...	....	17.5	91.0	244.5	71.3	150.7	131.7	....	....	194.2	53.2	121.4
May	....	16.7	87.3	234.0	68.1	145.7	131.4	....	....	187.9	52.5	117.9
June	....	17.5	86.5	228.1	67.4	149.2	129.3	....	....	189.3	53.3	119.0
July	....	18.6	87.0	224.3	66.8	153.9	131.6	....	....	190.1	53.8	119.6
Aug.	....	18.0	89.9	218.9	68.0	157.1	135.7	....	....	191.4	53.1	119.9
Sept.	....	20.3	93.9	220.6	70.6	162.5	133.2	....	....	200.6	54.8	125.2
Oct.	....	24.4	101.9	232.5	73.4	171.7	135.6	....	....	212.3	59.8	133.4
Nov.	....	27.5	107.0	233.4	74.4	179.6	143.6	....	....	219.9	62.4	138.4
Weekly Figures, 1937:												
Jan. 7 ..	188.0	35.2	114.1	228.7	75.2	183.3	140.5	71.2	546.9	219.7	67.6	140.1
Jan. 14 ..	191.1	38.0	116.2	229.6	76.9	183.9	140.4	73.2	550.3	225.9	69.2	139.3

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.
†1926.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Jan. 19	168.07	160.48	198.95
Jan. 18	169.73	160.75	201.18
Jan. 16	170.46	161.12	201.03
Jan. 15	170.08	160.09	201.52
Jan. 14	169.85	160.94	200.96
Jan. 13	169.19	160.27	201.60
Month ago ..	156.29	145.91	187.57
Year ago ...	133.24	126.98	127.50
High, 1936-7.	171.25	161.12	201.76
Low, 1936-7..	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Jan. 19	88.4	109.6	102.5
Jan. 18	88.8	111.5	103.9
Jan. 16	88.0	110.8	103.4
Jan. 15	89.0	111.0	103.7
Jan. 14	89.2	110.2	103.2
Jan. 13	89.5	109.1	102.6
Month ago	79.3	102.3	94.6
Year ago	67.6	71.5	70.2
High, 1936-7 ...	90.1	111.5	103.9
Low, 1936-7 ...	67.2	69.5	68.9

Price Bros. Lifts Mortgage On Redemption of Bonds

From Our Own Correspondent

MONTREAL.—Close to $16 millions in New York funds was handed over by Price Bros. & Co. on Jan. 19 to the Montreal Trust Co., as trustee, in full settlement of the claims of holders of the company's 6% first mortgage bonds. As a result the mortgage on the property has been lifted and the way is now open for the internal reorganization of the company along the lines announced in The Financial Post at the end of last November.

Payment to the trustee provided for redemption of the outstanding first mortgage bonds at par, together with a premium of 7½% of the principal; interest at 6% from the date of default; interest on deferred interest; and the expenses of the trustee.

The arrangement made by the company with the trustee does not include any provision for the expenses of Pacona, which owns practically all the Price Bros. bonds, nor does it include settlement of the power contract situation.

One of the shareholders of Pacona is the Saguenay Power Co., which also ranks as one of the largest of the unsecured creditors of Price Bros. & Co. It had been understood Pacona would not relinquish its dominant position in Price Bros. affairs unless a new power contract was entered into on terms satisfactory to Saguenay Power.

In redeeming the bonds, the company has stuck to the letter of the trust deed and has not made any provision for a new power contract. That will be done later.

Working on Plan

Meanwhile the interests responsible for the reorganization of the company are at work on plans for the issuance of additional securities which will not only provide for redemption of the first mortgage bonds, but also give the company sufficient working capital to carry on. This syndicate is headed by Royal Securities Corp., and includes Kitcat and Aitken; Wood, Gundy & Co., W. C. Pitfield & Co., R. O. Sweezey & Co. and Drury & Co.

Plans provide for the sale of $12 millions of 20-year sinking fund bonds, and $3 millions of two- to six-year serial bonds. The company also has arranged for the underwriting of $4,268,000 of 20-year convertible 4% debentures.

It is possible the public financing will be somewhat larger than was indicated last November, though the difference will not be very great.

Under the plan the old shareholders will exchange their present 6½% preferred stock for new 5½% preferred stock, cumulative from Jan. 1, 1939, and 1¾ shares of common stock for each share of preferred stock now held.

The new securities will likely go on the market about the first week in February.

Extra Dividend Declared By Commonwealth Corp.

From Our Own Correspondent

MONTREAL.—Directors of Commonwealth International Corp., investment trust, have declared the usual quarterly interim dividend of four cents a share payable Feb. 15, 1937, to shareholders of record Jan. 15, 1937. At the same time, the directors declared an extra dividend of one cent a share from operations in 1936, payable Feb. 15 to shareholders of record Jan. 15, 1937.

Base Metal Investments Lead In Favor

Can. General Investments' Assets Up 5 Millions in 4 Years

Net assets of Canadian General Investments Ltd. have risen in value by $5.3 millions in the four years period since Dec. 31, 1932 or from $3.5 millions on Dec. 31, 1932 to $8.8 millions on Dec. 31, 1936. The increase is exclusive of disbursements to shareholders of $961,916 in dividends during the four years period.

Net income from dividends and interest, after deducting expenses, in 1936 was $348,597 for 1936 against $291,564 in 1935.

Significant in the case of Canadian General Investments is the fact that its security holdings of mining and smelting shares, including copper, zinc, lead and others exclusive of gold, now amount to 15.7% of its portfolio, although these shares (now the highest single classification) amounted to only 7.7% in 1935 and 7.6% in 1934.

Canadian General Investments, also, has made the following changes in its portfolio in the same period:

Steadily increased the percentage of holdings in building and construction shares from 3.8% in 1933 to 9% in 1936.

Reduced holdings of food, dairy and meat packing securities in each year from 10.4% in 1933 to 6.2% in 1936.

Increased its holdings of Canadian gold mining securities from 0.2% in 1933 to 3.3% in 1935, subsequently reducing these to 2.1% in 1936.

Reduced holdings of milling and grain elevator companies' securities from 2.5% in 1933 to 0.7% in 1936.

Increased oil share holdings in its portfolio from 7.8% in 1933 to 11% in 1934 and to 12.9% in 1935, only to reduce this item sharply to 8.5% in 1936.

Increased portfolio holdings of pulp and paper stocks in each year from 6.1% until they are almost double at 12% in 1936. Like gold and base metal shares the increase in market values at Dec. 31, 1936, may be due in large part to increased prices of these shares as well as changes in actual portfolio holdings.

Canadian Government and municipal bonds have been reduced in value of portfolio from 1.3% of the company's holdings in 1933 to 0.5% at the end of 1936.

Newsprint Correction

In last week's issue of The Financial Post, the third paragraph in the front page article on newsprint stated that a publisher had offered to pay $60 a ton for the balance of this year, provided that the same rate applied for 1938. This was a typographical error as the price reported was $45 a ton.

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Dividend payments declared by Canadian corporations and payable in January 1937 will approximate an increase of 40% over the distribution of $16,044,000 made in the same month last year. If this rate of increase is maintained for the balance of the year, dividend payments in 1937 will exceed the 1930 total, the highest to date.

Increased dividends are the investor's bulwark against a rising price level and low interest rates. With a sound backlog of bonds, an investment account may be profitably strengthened in a period of rising prices by the inclusion, for a hold over a reasonable time, of carefully selected common stocks.

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THE BELL TELEPHONE COMPANY OF CANADA

Bond Markets

Bond Prices Show Downward Tendency

High-grade Bonds Weaken Under Mild Pressure — Calgary Plan Favorably Received — Windsor Deadlock Continues

Pressure has continued on the high-grade bond market, The Financial Post index declining to the lowest point since early in December.

Liquidation has not been serious, but the feeling exists in some quarters that a decline in high-grade bond prices may be expected. For this reason, some bond investors have been turning their attention to corporation issues which are selling at a discount.

The principal factor in the recent weakness of the market, however, has been the liquidation of bond holdings by many industrial companies, which find they need additional cash because of better business and rising prices.

Weakness has continued in the western provincial list, the price decline spreading to British Columbia bonds.

Bond men are hopeful that some concrete proposal for refunding of western provincial debts may develop from the conference in Ottawa between Premier W. J. Patterson of Saskatchewan, Premier John Bracken of Manitoba and Hon. Charles Dunning, federal minister of finance.

Refunding bond issues are being offered by Woods Manufacturing Co. and Nova Scotia Light and Power Co.

Trade in Securities

INTERNATIONAL trade in securities between Canada and other countries continued to expand in November and reached an unusually large total, according to the Dominion Bureau of Statistics.

Total sales for the month by Canada to other countries amounted to $69.6 millions. This is the largest total for any month in the past three years and compares with $38.8 millions in November. Sales for the first 11 months of 1936 total $370.4 millions, compared with $265.3 millions in the corresponding period of 1935 and $299.6 millions in 1934.

Total purchases by Canada from abroad in November amounted to $56.1 millions, which is also the largest total for any month in the past three years. This compares with purchases of $50.3 millions in the previous month and $23 millions in Nov., 1935. Purchases for the first 11 months of 1936 were $356 millions, compared with $222.9 millions in the corresponding period of 1935 and $280.5 millions in 1934.

A very sharp increase in sales of securities to the United States was the most pronounced characteristic of the month's developments, although purchases from United States were also larger. Sales by Canada to the United States in November totalled $56.8 millions, compared with $25.8 millions in the previous month. Purchases from the United States by Canada were $47.6 millions, compared with $42.8 millions in October.

The balance of sales in November over purchases was $13.5 millions. This makes up the major portion of the balance of sales for the first 11 months of 1936, which was $14.4 millions. In the corresponding period of 1935 the balance of sales was $42.4 millions.

* * *

Calgary Plan

NO DIFFICULTY should be encountered in securing consent of 60% of the debentures of the city of Calgary to the refinancing which has been drawn up by a committee of bondholders and is currently receiving consideration by city council. The plan, if put into effect, will result in considerable alleviation of the tax burden in Calgary and will ease the difficult financial position in which the city finds itself at present. At the same time, it is manifestly fair and just to bondholders. It is probable that the plan for the city of Edmonton will be along similar lines.

Steps should be taken at once to develop similar plans for other western cities which are faced with difficult financial problems. Such action would do much to restore the stability of the municipal financial structure in western Canada and would probably prevent defaults in the future. Among the cities for which similar refinancing plans should be considered are Winnipeg, Brandon, Regina, Saskatoon, Victoria, Vancouver and Medicine Hat.

* * *

Windsor Refinancing

NO PROGRESS has been made with the Windsor refinancing plan since rejection of the Ontario Municipal Board's decision by bondholders. At present, there appears to be little possibility of bondholders and the city agreeing on a compromise plan.

In a unanimous resolution passed by the Windsor Board of Control an appeal was made by the city to Hon. David Croll, minister of municipal affairs, to take whatever steps he deems necessary to make effective as early as possible the order of the Municipal Board. Apparently the Board of Control wishes the Government to pass legislation forcing the Municipal Board's decision on bondholders. Such a step would be fatal as bondholders would at once carry the entire matter into the courts. Furthermore, such action would be a severe blow to municipal credit in this province. Bondholders and the city must now be left to themselves to work out an amiable agreement to their differences.

The bondholders' protective committee has been asked by the Ontario Municipal Board to file proof that they have the right to speak for the owners of the bonds on behalf of which they filed legal objections.

* * *

Market Trend

NEWSPRINT securities continue to attract the attention of the investing and speculating public. Abitibi 5% bonds have advanced a further three points to 94 bid. It is understood that several plans of reorganization are under consideration. Many obstacles, however, will have to be overcome before reorganization of this company will be possible.

Consolidated Paper 5½'s continue to advance, being currently quoted at 85¼. Great Lakes Paper 5's have jumped four points to 94¼.

With the Ontario Legislature considering additional bills to strengthen its repudiation of power contracts, Beauharnois Power 5's slipped two points to 62 and Ottawa Valley Power 5½'s four points to 88.

The trend of the high-grade bond market is indicated below:

The Financial Post Index of Average Price and Yield of High-Grade Gov't Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Jan. 19	116.39	3.067	Jan. 18	112.07	3.503
Jan. 18	116.32	3.063	Jan. 17	112.11	3.499
Jan. 16	116.39	3.067	Jan. 16	111.87	3.530
Jan. 15	116.39	3.067	Jan. 15	111.88	3.561
Jan. 14	116.39	3.067	Jan. 14	111.55	3.593
Jan. 13	116.53	3.048	Jan. 13	111.50	3.597
Year's	116.81	3.026	Year's	117.91	2.966
Range	116.32	3.063	Range	111.50	3.597

East and West Far From Split

Relationships of East and West were described in a happy marriage metaphor by D. E. Kilgour, general manager of North American Life at the company's annual meeting this week. This is the way Mr. Kilgour described the present complex relationships of Canadian provinces.

"As financial institutions we are not insensible to the great contribution that the Western Provinces have made to Canada as a whole. To the extent to which there may have been overoptimism in the development of that country, the East must share a measure of responsibility.

"It is not true, however, as many try to represent that Eastern capital forced itself upon the West like a persistent suitor upon a coy and hesitant maiden. The Western maiden was indeed neither coy nor hesitant; she welcomed her suitor with open arms and almost voluptuous embrace.

"But if the Western maiden was not coy, the Eastern suitor was not retiring. For better or for worse, the East and West were joined together. For years the union was a happy and productive one. The marital relations may be strained, but we are far from the divorce court yet.

"We do not believe that the East has been harsh or unsympathetic and we know that it has been compelled to endure the opprobrium and contumely of vociferous suitors whose intentions we suspect have been to bring about separation and at the same time share in the alimony that would go with it."

Classified Advertisements

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I HAVE exceptionally valuable Gold Property in Beardmore District. Vein traced mile and quarter, stripped 600 feet, averaging four feet wide. Vein six feet wide traced 600 feet. Several other veins widths up to six feet. Present assays up to $22.40. Assays adjoining property 2.10 ounces. Will sacrifice for immediate cash. Wonderful opportunity. Apply at once, Room 637, King Edward Hotel, Toronto.

Executive-Accountant

YOUNG MAN, 29, NOW EMPLOYED, is interested in making change to position with some firm offering greater future. Ten years office and selling experience, two years as executive. Good character, personality and references. Box 7, The Financial Post, Toronto, Canada.

Sales Executive Available

HIGHLY TRAINED SALES EXECUTIVE who is particularly familiar with conditions in Western Canada, open for position. Several years banking in addition to sales experience. Highest grade references. Inquiries solicited. Box 9, The Financial Post, Toronto, Canada.

Company Reports

National Trust

Although earnings of National Trust Co. declined slightly from $8.69 a share in 1935 to $8.61 a share in 1936, net profits of $258,465 were sufficient to pay dividends of $8 a share and to increase profit and loss account from $379,371 to $397,836, after management costs, directors' fees, contingencies and taxes.

Trust certificates in the hands of the public declined to $3,672,083, and mortgages were reduced from $11.1 millions in 1935 to $10.6 millions at the end of 1936. Estates under administration revealed a growth in this branch of the company's business, in a gain from $244 millions in 1935 to $249 millions at the end of 1936.

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits $	Div. *Rate %	Rate Earned per sh. $
1932	6,000,000	381,838	12½	12.72
1933	6,000,000	266,415	8½	8.88
1934	6,000,000	300,476	8	10.01
1935	6,000,000	260,785	8	8.69
1936	6,000,000	258,465	8	8.61

*After cost of management, directors' and auditors' fees, contingencies, etc., and provision for taxes.

Pub. Liabilities and Assets

	1936 $	1935 $
Trust certificates	3,672,083	4,257,272
Deposits	17,660,977	18,071,802
Total	21,333,060	22,329,074
Secured by assets:		
Liquid assets	10,713,113	11,101,488
Mortgages & int.	10,619,947	11,227,586
Net capital acc. assets	6,397,836	6,379,371
Total	27,730,896	28,708,445
Estates, etc.	249,514,726	244,142,349

Midland Loan

Midland Loan & Savings Co., Port Hope, Ont., reports earnings of approximately $17 a share for 1936, from which dividends of $8 a share were paid and a slightly greater amount, totalling $30,000, written off investments for general depreciation. This left $2,678 to be added to earned surplus.

Security for depositors and debenture holders, tabulated below, as usual shows an ample margin after provision of investment reserves.

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1930	840,000	60,632	10+2	16.8
1931	840,000	60,647	10+2	16.8
1932	840,000	55,331	10+1	15.3
1933	840,000	51,264	8½	14.2
1934	840,000	50,830	8	14.1
1935	840,000	44,687	8	12.4
1936	840,000	61,478	8	17.0

*Before deduction of investment revenue.
Par value of stock $10.

Creditors' Position

	1936 $	1935 $
Debentures	1,883,409	1,953,298
Deposits	364,070	346,285
Total	2,247,479	2,299,583
Secured by:		
Liquid assets	514,359	563,474
Mortgages & int.	2,604,033	2,600,130
Other net assets	*1,487	2,727
	3,116,905	3,166,331

*Surplus of current liabilities over other assets.

Maritime Electric

Maritime Electric Co.'s operating revenue for the first 11 months of 1936 totalled $427,704 compared with $446,237 for all of 1935. Net earnings available for bond interest, depreciation and income taxes during this period amounted to $126,505, or about $5,000 more than in 1935.

	11 Mos. ended Nov. 30, 1936 $	12 Mos. 1935 $
Operating revenues	427,404	446,237
Less: Exps. & taxes	317,314	335,647
Balance	110,090	110,590
Add: Other income	3,673	6,547
Balance	113,763	117,137
Add: Non-recurr. exps.	12,742	8,436
Less: Non-recurr. prof.	......	4,069
Net earnings	126,505	121,504
Prov. for retire., renew. & replace. of fixed assets	46,301	49,886
Profits before bond int. & income taxes	80,205	71,618

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1	100
Can. Bread	▲6%	1941	Feb. 1	110
Hospital of Infant Jesus, Que.	...	*	Feb. 1	101
Indust. Accept. A	6%	1940	Jan. 25	105
Confed. Amuse. A	6½%	1951	Feb. 1	102
Tor. Harbor C.	4½%	1953	Mar. 1	105
B. C. Power, A	5½%	1960	Mar. 1	104½
Do., series B	5%	1960	Mar. 1	104½
Can. Cons. Rub'r	‡6%	1946	Apr. 1	110
Can. Paper, A	6%	1945	June 4	103½
Dom. Tel. Secs.	†5½%	1978	Feb. 2	100
Regent Knit	6½%	1942	Mar. 1	105
Toronto Carpet	6%	1944	Mar. 1	103
Tonawanda Pap.	5½%	1938	Feb. 1	100½
Do.	5½%	1939	Feb. 1	101
Do.	5½%	1940	Feb. 1	101½
Do.	5½%	1941	Feb. 1	102

For sinking fund: ▲$100,000. †$2,900.
*Maturing from Aug., 1937, to 1956. ‡Private sale between Feb. 1 and April 1, 1937, in Canadian funds.

Stock Issues:
Toronto Elevators 7% Pref. Mar. 8 110

Bond Tenders

8 p.m., Jan. 23, Victoriaville—$21,500, 4%, dated Jan. 1, 1937, redeemable serially from Jan. 1, 1938 to Jan. 1, 1957. Wellie Fortier, sec.-treas.

5 p.m., Jan. 30, Granby, Que. — $15,000, 3½ or 4% bonds, dated Jan. 1, 1937, redeemable in 10 years. Arthur Montfils, sec.-treas.

Listed Bonds

Week Ended Jan. 18, 1937

	Int. rate	Due	High	Low	Range 1936-7 High	Low
Mtl. L. H. & P. Debs.	3	'39	50⅞	50½	51⅞	50
McNish	6	'48	3.80	...	4.00	3.00

Toronto Mortgage

Earnings of Toronto Mortgage Co. for the year ended Dec. 31, 1936 were equal to $6.53 a share against dividend requirements of $6 on the $50 par value stock. There has been marked stability in the company's earnings in each year since 1931, and the 1936 figure compares with $6.54 in 1935. Balance carried forward at the end of 1935 brought profit and loss surplus to $132,206 compared with $121,616 at the close of 1935.

Comparative figures follow:

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits $	Div. Rate† $	Rate† Earned per sh. $
1931	2,136,655	132,999	6	6.74
1932	2,151,502	128,458	6	6.51
1933	2,151,502	130,632	6	6.62
1934	2,151,502	128,650	6	6.52
1935	2,151,502	129,031	6	6.54
1936	2,151,502	128,971	6	6.53

†Based on fully paid-up capital stock, par value, $50.

Creditors' Position

	1936 $	1935 $
Debentures	2,747,929	2,748,583
Deposits	146,508	136,865
Total	2,894,437	2,885,448
Secured by:		
Liquid assets	988,142	928,668
Mortgages & int.	4,097,632	4,150,219
Other net assets	92,371	79,678
Total	5,178,145	5,158,565

Can. General Investments

Earnings of Canadian General Investments Ltd., available for dividends, rose from $278,714 in 1935 to $333,936 in the company's fiscal year ended Dec. 31, 1936. Equal to 55.5 cents a share, net income was 10% in excess of the new annual dividend rate of 50 cents a share on the outstanding 600,859 shares and through changes in the investment portfolio resulting in net profits of $258,340 on securities sold, to leave surplus for the year at $38,479 against $1,475 at the close of 1935. As a result of changes in the invested portfolio net profits of $258,340 were realized on sale of securities, increasing the capital surplus distributable account to $2.5 millions.

Security holdings to a total of 254 different securities are carried at $5.9 millions but at Dec. 31, 1936 these had a market value of $9 millons. On a per share basis, net liquidating value of the company's shares was $14.65 at Dec. 31, 1936 against $10.55 at Dec. 31, 1935.

Profit and Loss Account
Years Ended Dec. 31

	1936 $	1935 $
Inc. from invests.	381,833	318,520
Other income	495	996
Total income	382,328	319,516
Less: Int. on loans	2,135	619
Management fee	25,000	25,000
Miscellaneous	3,925	2,333
Income tax res.	14,662	12,850
Directors' fees	2,670	......
Net income	333,936	278,714
Less: Dividends	270,264	240,235
Surplus for year	63,672	38,479
Add: Prev. surplus	99,577	62,247
Less: Add'l inc. tax	1,018	1,149
Balance forward	162,230	99,577

B. Greening Wire Co.

Very substantial improvement was shown B. Greening Wire Co. of Hamilton for the year ended June 30, 1936. Net earnings were up about 50% from the previous year and equalled $15.11 per share on the 6,500 outstanding shares of 7% preferred stock. In addition to the full dividend payment on this stock $3.50 was paid on arrears, reducing total outstanding in this respect to $8.75 per share.

It is believed that the improvement indicated by this report has continued into the current season.

Income and Surplus Account
Years Ended June 30

	1936 $	1935 $
Net earnings	224,318	148,898
Less: Bond interest	......	5,255
Directors' fees	1,000	1,000
Depreciation	66,732	64,957
Fed. & prov. taxes	22,314	15,000
Legal expense	1,000	......
Exec. salaries	17,000	......
Factory manage.	18,000	......
Net profit	98,272	62,686
Less: Dividends	68,250	45,500
Surplus for year	30,022	17,186
Add: Prev. surplus	532,365	515,180
Bal. carried forward	562,387	532,366

Working Capital

	1936 $	1935 $
Current assets	664,786	549,520
Current liabilities	139,058	118,948
Working capital	525,728	430,572
Ratio	4.78—1	4.62—1

Can. Permanent Mortgage

Canada Permanent Mortgage Corp. reports net profits for 1936 equivalent to $9.71 a share compared with $9.64 a share in 1935. After paying dividends of $8 a share and writing $110,000 off premises, there remained $10,282 to be added to earned surplus.

Slight decreases are shown in deposit and debenture liabilities of the corporation. This is reflected in turn in net assets securing these liabilities. The balance sheet shows a margin of $12,615,000 in net asset values over liabilities to both depositors and debenture holders of $55,861,000.

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1931	15,000,000	913,928	12	13.06
1932	15,000,000	†888,559	12	12.68
1933	14,000,000	†730,192	9½	10.43
1934	12,000,000	†680,225	8	9.72
1935	12,000,000	†675,012	8	9.64
1936	12,000,000	†680,282	8	9.71

*After deducting interest on borrowed capital, expenses of management, taxes, and making provision for possible losses and contingencies.
†Before deducting amount written off office premises; $110,000 in 1936, 1935, 1934 and 1933; $55,746 in 1932.

Creditors' Position

	1936 $	1935 $
Debentures & deb stk.	39,350,196	39,712,273
Deposits	16,510,749	16,588,450
Total	55,860,945	56,300,723
Secured by:		
Liquid assets	11,616,179	11,598,696
Mortgages & int.	51,798,205	52,229,769
Other net assets	5,060,721	5,076,136
Total	68,475,105	68,904,601

Lambton Trust

Increases in assets and estates under administration were experienced by Lambton Trust Co. Ltd. in 1936, and earnings were higher at $3.01 per share compared with $2.76 per share in 1935. Dividends of $2 on the $50 par value stock were earned by a substantial margin.

Increased net assets were due to a gain in liquid assets, but mortgages were reduced from $199,829 in 1935 to $196,905 at the end of 1936.

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits $	Div. Rate $	Rate† Earned per sh. $
1931	210,500	10,275	...	3.21
1932	211,000	10,341	2.50	3.21
1933	211,000	‡7,720	2.00	2.40
1934	211,000	10,923	2.00	3.39
1935	210,000	8,897	2.00	2.76
1936	211,000	9,721	2.00	3.01

†On paid-up capital. Par $50.
‡Less income tax, year 1932, $1,424.

Capital Account Net Assets

	1936 $	1935 $
Liquid assets	35,970	29,827
Mortgages & int.	196,905	199,829
Total	232,875	229,656
Estates, etc.	341,256	333,516

Woods Mfg. Co.

Net earnings of Woods Manufacturing Co. for 1936 are likely to be in the neighborhood of $175,000, as compared with $68,943 in 1935. For the 11 months ended Nov. 30, 1936, the company reports $162,208 available for bond interest, depreciation and income taxes.

The financial position of the company at the end of last November shows several changes from that reported at the close of 1935. The interim report shows bank loans of $172,000—a new item. Accounts payable and accrued liabilities increased during the 11 months period from $218,305 to $311,564. Funded debt, on the other hand, declined from $587,000 to $551,500.

Sawyer-Massey Ltd.

A small operating profit on an increase of 23% in sales is shown by Sawyer-Massey Ltd. for the year ended Sept. 30, 1936. Although the final net loss for the year was $160,000, this still left a net increase of $240,000 in contingent reserve and allowed improvement of $300,000 in the liquid position.

Value of $1.3 million net for plant assets is described as excessive by the auditors who point out, however, that this is partly offset by the contingent reserve of $440,000.

Profit and Loss Account
Year Ended Sept. 30

	1936 $	1935 $
Gross profit*	74,292	50,465
Less: Sell. & adm. exp.	57,611	58,185
Exec. salaries	12,315	11,760
Legal fees	252	114
Operating profit	4,114	†19,594
Bond & other interest	65,571	74,489
Depreciation	62,419	......
Inventory res.	36,124	......
	160,000	94,083
Less: Conting. res.	160,000	......
Deficit for year	......	94,083
Previous deficit	490,605	108,214
Deprec., prior years	......	288,309
Deficit carr. for'd.	490,605	490,606

*Before providing for depreciation.
†Loss.

Working Capital

	1936 $	1935 $
Current assets	408,847	401,967
Current liabilities	647,062	939,968
Excess of curr. liabs. over curr. assets	238,215	538,001

Montreal Telegraph

Montreal Telegraph Co.'s 90th annual statement shows practically no change in revenues or financial position during 1936. This company's income is on a fixed basis, being derived from rentals under lease of the property to the Canadian Government.

Income Statement
Years Ended Dec. 31

	1936 $	1935 $
Lease revenue	165,000	165,000
Other income	2,767	3,080
Total revenue	167,767	168,080
Less: Dividends	138,000	140,000
Income tax	22,000	20,000
Expenses	5,907	5,785
Tax adjustment	4,119	......
Deficit	2,259	*2,295

*Surplus.

Canada Cement

Canada Cement Co.'s financial statement for the year ended Nov. 30, 1936, shows earnings equal to $3.32 a share on the preferred. This compares with 29 cents a share in 1935 and is the best reported since 1932.

In previous years the company has issued a general balance sheet, but that for 1936 is a consolidated one. A number of changes are shown as reflecting the bond refunding operation carried out by the company recently. Bonded debt now stands at $16.5 millions compared with over $17 millions in the previous report. A new item in the report this year is the bonded debt of the Canada Cement Building amounting to $820,000.

Reflecting redemption of the old debt, investment holdings declined from about $1.6 million to $998,215, while cash on hand was off from $1,154,000 to $929,000. There is an increase of nearly $200,000 in inventories to over $1.5 million. The property account, including the Canada Cement Bldg., now stands on the books at $42.1 millions as against $40.7 millions in the general balance sheet.

Income and Surplus Account
Years Ended Nov. 30

	*1936 $	1935 $
Total revenue	2,940,180	2,193,151
Less: Bond interest	929,435	1,038,913
Depreciation	1,027,829	1,000,000
Bond premium	......	20,759
Bond expenses	54,666	......
Mort. interest	41,250	......
Exec. salaries	67,230	65,162
Directors' fees	9,870	9,690
Legal expenses	659	1,463
Tax provision	146,000	19,470
Net profit	663,241	37,694
Previous surplus	†1,051,786	†997,953
Surplus forward	1,715,027	1,035,647

*Consolidated. †Adjusted.

Working Capital Position

	1936 $	1935 $
Current assets	3,885,269	4,457,799
Current liabilities	656,313	438,945
Working capital	3,228,956	4,018,854

Hiram Walker-G. & W.

Hiram Walker-Gooderham & Worts Ltd. reports profits after all charges equivalent to $2.45 a share for the quarter ended Nov. 30, 1936. This compares with $1.65 a share in the same quarter of 1935. The company's year runs to Aug. 31.

The actual profits for the quarter after all expenses and preferred dividends were $1,772,766, compared with $1,088,879 in the 1935 period. The increase in earnings on the common was modified by the increase from 660,000 to 721,533 in the number of shares outstanding.

The statement does not provide for the U. S. surtax on undistributed profits. It is pointed out that on the basis of present income tax rates, levies on distribution of earnings for the quarter would be $118,000, but this is not provided because the taxes may not be incurred.

Profit and Loss Statement
Quarters Ended Nov. 30

	1936 $	1935 $
Profit from operations	2,534,143	1,543,484
Add: Other income	65,703	89,495
	2,599,846	1,632,979
Less: Depreciation	160,745	145,327
Debent int., etc.	166,850	......
Bank interest	6,144	57,813
Prov. for inc. taxes	378,136	255,755
Net profit	1,887,971	1,204,084
Less: Pref. divs.	115,205	115,205
Earnings for common	1,772,766	1,088,879

Lambton Loan

Dividend requirements of Lambton Loan and Investment Co. were earned in 1936 by the widest margin since 1932, earnings per share standing at $2.80 against the annual $2 rate for the $50 par value stock. Mortgages were reduced from $3,292,822 to $2,984,758. All mortgage investments are held in Ontario and bond holdings consist of Dominion obligations and bonds of eastern provinces and municipalities.

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits $	Div. *Rate $	Rate Earned per sh. $
1931	1,739,750	83,574	5.90	5.30
1932	1,739,750	67,384	4.50	4.25
1933	1,583,750	37,768	2.25	2.39
1934	1,589,750	*32,498	2.00	2.08
1935	1,589,750	32,518	2.00	2.08
1936	1,489,750	44,287	2.00	2.80

*Estimated. Par value of stock $50.

Pub. Liabilities and Assets

	1936 $	1935 $
Debentures & int.	1,578,510	1,516,749
Deposits	976,199	974,343
Total	2,554,709	2,491,092
Secured by assets:		
Liquid assets	60,780	396,721
Mortgages & int.	[illegible]984,758	3,292,822
Other net assets	529,698	409,379
Total	4,075,236	4,098,922

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Jan. 12	Jan. 13	Jan. 14	Jan. 15	Jan. 16	Jan. 18
U. S. Dollar, High	1.00	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32
Low	1.00	1.00	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32
1936 High	.99 15/16	.99 15/16	.99 31/32	.99⅞	1.00 1/32	1.00
Low	.99 13/16	.99⅝	.99 15/16	.99¾	.99 15/16	.99 15/16
U. K. pound	4.91¼	4.91¼	4.91½	4.91½	4.91½	4.91½
Australia	3.93	3.93	3.93	3.93¼	3.93¼	3.93¼
Austria	.1875	.1875½	.1876	.1876¼	.1876	.1876¾
Belgium	.1687	.1687¾	.1688¼	.1688½	.1688½	.1687½
Brazil	.0612	.0608	.0620	.0612	.0620	.0615
Czechoslovakia	.0349¾	.0349¼	.0349¾	.0349¾	.0349¼	.0349½
Denmark	.2194	.2194¾	.2194¾	.2194¾	.2194¾	.2195
France	.0467¼	.0467¼	.0467½	.0467½	.0467¼	.0467½
Germany	.4024	.4024¾	.4026	.4026½	.4025½	.4026¼
Greece	.0090	.0090	.0090	.0090	.0090	.0090
Holland	.5476	.5477¾	.5479½	.5479½	.5479½	.5481
Hungary	.1980	.1980½	.1981¼	.1981½	.1981¼	.1981¼
India	.3718	.3719	.3717¼	.3717¼	.3717¼	.3718½
Italy	.0526⅝	.0526½	.0526¾	.0526¾	.0526¾	.0526¾
Japan	.2860	.2866	.2866¾	.2866¾	.2871¾	.2872¾
Jugoslavia	.0233½	.0233½	.0233¾	.0233½	.0233½	.0233¾
New Zealand	3.96	3.96	3.96	3.96¼	3.96¼	3.96¼
Norway	.2470	.2469¼	.2470	.2470½	.2470½	.2470¼
South Africa	4.90¼	4.90¼	4.90½	4.90½	490½	4.90½
Sweden	.2534	.2534½	.2534½	.2534½	.2534½	.2534¼
Switzerland	.2296¾	.2297¾	.2298½	.2298¼	.2297¾	.2298¾
Hong Kong	.3065	.3064	.3064	.3064	.3064	.3064¼

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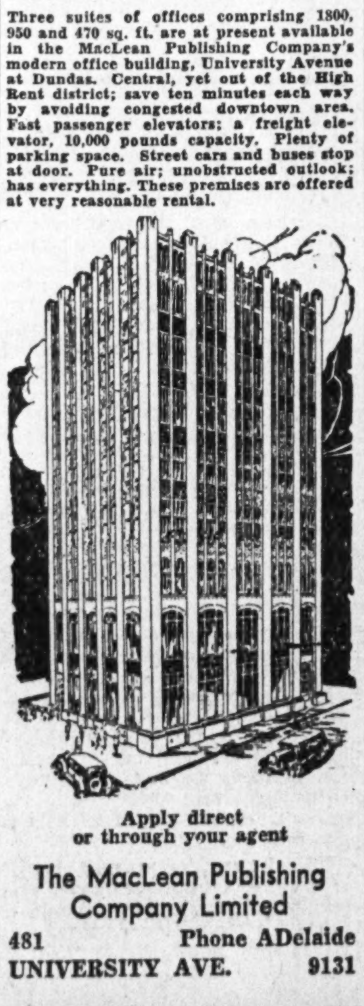

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POLICYHOLDERS and friends will be glad to learn that in the year just closed the Company further augmented its strong position and made gratifying progress. Evidence of the rapid and well balanced growth which The Imperial Life has experienced is furnished by the following table which gives the record of the Company at ten year intervals.

Year	Premium and Interest Income	Reserves for Policyholders	Total Assets	Assurances in Force
1906	$ 855,077.81	$ 2,461,836.00	$ 3,332,882.88	$ 19,254,932.00
1916	2,659,418.05	10,021,809.07	12,974,417.02	55,084,130.00
1926	10,041,402.27	33,552,129.00	40,124,051.68	218,230,511.00
1936	13,155,617.33	65,162,244.00	79,100,808.66	281,579,244.00

SOME HIGHLIGHTS FROM 1936 RESULTS

ASSURANCES IN FORCE increased to over $281,000,000.00. The amount of assurances surrendered was greatly decreased—a gratifying indication of improved business conditions.

BENEFITS PAID to living policyholders $4,706,198.92; to beneficiaries under death claims $2,233,239.61; a total of $6,939,438.53.

TOTAL ASSETS increased by $3,937,215.43 to $79,100,808.66. These assets show considerable appreciation in value during the year and are carried in the Company's books at an amount substantially less than their actual market value.

NET SURPLUS EARNINGS in the year $2,251,944.00.

ACCUMULATED SURPLUS FUNDS increased by $712,346.60 to $4,871,498.32 after calculating assurance and annuity liabilities at an amount some $800,000.00 greater than Government requirements, setting aside a contingency reserve fund of $1,000,000.00 and paying out dividends to policyholders in the year of over $900,000.00.

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TORONTO, JANUARY 23, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Modernizing Public Finance

THE need for a reappraisal of the financial basis of Confederation has been repeatedly emphasized in these columns. The Financial Post recently reported that Ottawa is giving serious consideration to a Royal Commission to investigate the problem of how to redivide governmental responsibilities and public revenue sources between the ten major governments of the country. Such a suggestion was made by the Premier of Manitoba at the meeting of the National Finance Committee at Ottawa in December.

Now a further voice is added to those sponsoring or supporting such a proposal. It is that of Morris W. Wilson, president of the Royal Bank of Canada. At his bank's annual meeting he said:

"Let us secure a review of the whole subject by a Royal Commission. . . . Changed social and economic conditions have thrown responsibilities on various governing bodies that were never contemplated at the time of Confederation 70 years ago, and as a consequence it is found increasingly difficult, in some instances, to meet these additional responsibilities with the sources of revenue at their disposal. Having regard to the necessity of maintaining the national credit, if it is at all possible some solution must be found which will permit both provinces and municipalities to continue the service of their public debt in full. At the same time this Commission should give consideration to the question of double or overlapping taxation. . . . In short, the financial relationships of the Dominion, Provincial and Civic Governments should be thoroughly overhauled."

That such a Royal Commission is coming can hardly be doubted. Independent study and advice is needed. Ottawa should not attempt either to force its views on the province or to accept their demands without an outside judgment upon the merits of those demands.

The Commission should be appointed to deal with one task and one task only: to examine into the division of powers under the British North American Act and the division of public revenues required to enable the Dominion and the different provinces to exercise those several powers. Larger questions of the economic basis of Confederation are no less important, but any attempt to have the Royal Commission study them in detail would mean that the first job would never be finished.

The Commission ought to be headed up by a distinguished and capable British jurist, economist or public servant. Lord MacMillan, Sir Josiah Stamp, Sir Frederick Leith-Ross and Sir Arthur Salter are names that come to mind as suitable nominees for the chairmanship.

That C. N. R. "Deadwood"

NEWS dispatches from Ottawa state that the purpose of the proposed recapitalization of the Canadian National Railways is "to remove misconceptions concerning the real position of the Government-owned railway."

Prof. W. T. Jackman recently suggested that it is "a case of pure deception with the object of dissembling the real facts as to the disaster of Government ownership and operation."

There is plenty of evidence to support Prof. Jackman's view. Several months ago one of the cabinet ministers stated that the actual cash loss of the C.N.R. in 1935 was $47.5 millions, but that the books of the company were kept in such a way that other charges were added which brought the bookkeeping loss to $115 millions. The larger amount, he stated, was "a bookkeeping fallacy."

The Financial Post would like to believe that the $115 millions loss in 1935 was a mere "fallacy." Unfortunately, however, it comes nearer than any other figure to representing the true loss to the Canadian taxpayer. If anything, in fact, it is an understatement of the deficit, for there are many expenditures and advances which have never been charged in the books of the company. One cannot brush aside interest on Government advances and write-offs for depreciation as bookkeeping items. They are items which should be properly charged in the accounts of any company.

It is understood that the recapitalization will be based upon the 1934 recommendations of George A. Touche Co., auditors, which proposed that over $1,000 millions should be written off the books of the company.

Included in this proposal are some changes to which there can be no objection. The $100 millions of old Canadian Northern Railway stock for which the Government paid $10 millions could be adjusted accordingly. The $165 millions of Grand Trunk debentures which the arbitration commission found to be worthless could be wiped out. These changes, with the corresponding reduction in investment account, would bring the books of the company into conformity with established facts.

Other proposed changes are in a different category. There is a proposal to wipe out Government advances of $324 millions made to meet cash deficits and accrued interest on Government loans, which at the end of 1936 amounted to $495 millions. Furthermore, the suggestion is made that about $350 millions of loans made by the Government for capital purposes should be converted from fixed interst bearing obligations to capital stock.

Funds to meet these deficits and to make capital advances were largely obtained by the Government through the sale of bonds on which it continues to pay interest. To the extent that funds were obtained by taxation, a reduction in the national debt to an equivalent amount was prevented. The Government must continue to meet its obligations on these bonds. Relieving the railway will not relieve the taxpayer.

One argument that is advanced in favor of the recapitalization is that it would set the C.N.R. management an attainable objective. If the road's capitalization were cut down to a more reasonable figure, the executive would be expected by the public to earn a return on that amount. At the present time, it is too easy to blame the losses on "deadwood" in the balance sheet. If the management did not earn a fair return on what was left, that fact would stand out very glaringly.

The other fact remains through that recapitalization will merely remove from the C.N.R. books certain charges which have been paid by the Government and must continue to be paid by the Government. It will save the taxpayer nothing.

Trouble-maker

W. A. MACLEOD, "noted expert on Western Canadian affairs and representative of the Canadian Co-operative Wheat Producers," gave an address in Toronto the other night. The advance notices said:

"The subject of his address will be 'East Side, West Side,' in which he will discuss the present battle between the wheat growers and the grain trade, and stress the necessity for harmonious relationship between Eastern and Western Canada on mutually vital problems in connection with wheat growing and distribution."

The "present battle between the wheat growers and the grain trade" is something that exists only in the mind of men like Mr. MacLeod, who is the paid propagandist of the wheat pools; the same pools whose foolish policies from 1927 to 1930 brought Canada almost to its knees in world wheat markets and involved Canada in losses of millions of dollars. Discredited, the wheat pools are struggling desperately to retain some following among western grain growers. But they have learned little—either in good manners or profitable marketing. The position they gained by abuse and misrepresentation of the grain trade of Canada was a position they could not hold. But they continue to use the same tactics, trying to conjure up a picture of the grain trade as the farmer's worst enemy against whom the lily-white crusaders of the wheat pools are carrying on a lone battle. The western farmer will not be again fooled by such tactics. He will not again put himself at the mercy of such politically-minded bodies.

If there exists a necessity for "harmonious relationships between Eastern and Western Canada on mutually vital problems in connection with wheat growing and distribution" there exists an equally great necessity for harmonious relationships between the wheat growers and the established marketing machinery on the same mutually vital problems in connection with wheat growing and distribution.

We Need the Right Immigrants

DISCUSSIONS about the renewal of immigration should distinguish clearly between several quite different things. Nobody wants to add to the public wards of Canada. They are sufficiently numerous now, and it would be all the more reprehensible if they were brought in by state subsidy. There are certain racial types which are difficult to assimilate. These factors must be borne in mind. But any wholesale condemnation of immigration of all kinds, on the ground that Canada has persons who are unable to find employment, misses one extremely pertinent fact.

That is, that an immigrant family is a consumer as well as a producer: that if it is of desirable type it will contribute at least as much to the country as it will require from it. The argument that Canada is too hard up to "afford" immigrants has much fallacy in it. Canada will always be too hard up to "afford" immigrants of the wrong sort, but reasonably free entry of desirable peoples means the coming of neighbors to aid Canada in emerging from its difficulties. If the existence of industrial depression and low prices for farm products is sufficient argument for excluding immigrants, the era which Canada went through between 1878 and 1896 might well have discouraged immigration indefinitely, although, as a matter of record, some of the most prosperous years in Canadian history coincided with the subsequent influx of vast hordes of people.

Many of the people came with capital, prepared to establish substantial homes and businesses at once. Others brought brain and brawn which have contributed very materially to the welfare and progress of the country. Unsupervised and state-subsidized immigration may well bring in misfits, but the right sort of immigration brings in occasionally a Charles Dunning, an R. A. Hoey, an Ian Mackenzie, a Robert Forke or a Sir George Perley. For that matter the parents or grandparents of most of the eminent figures in Canadian life at the present time were immigrants.

There is no logic in the theory that more immigration necessarily means more unemployment. Additions to the population, whether by natural increase or by immigration, enlarge the home market. The obvious benefits to a country like Canada with its scattered population and its burdensome overhead in roads, railways, public buildings and governments, have been given a good deal of prominence. It should be equally obvious that the influx of people able, from the first, to contribute at least as much, and probably a little more, to the general life of the community than they take from it, cannot help enriching the nation as a whole.

Taxation, Not Insurance

WHEN the United States entered upon its extensive Social Security programme there was some speculation as to how the enormous reserve funds, necessary to operate such insurance schemes, would be invested. It was calculated that the funds would in time reach a figure nearly twice the present public debt of the United States. The consequences could easily be far-reaching. As the funds could only be invested in Government bonds there would not only be erected a wide-spreading foundation for inflation but also there would be created a problem of how to cash in on the bonds if and when a depression came along and demands on the fund became particularly heavy.

The White House seems to have solved the problem by putting the funds on a pay-as-you-go system. No large reserve funds will be set up. Employer and employee contributions will go into the treasury to reduce debt and taxes; payments will be made out of the treasury, if necessary, by increasing debts and taxes.

In short, the United States has set up a new tax system, it has recognized a state obligation in social welfare but it has yet to devise a new social insurance system.

Editorials in Brief

"Last year when I discarded my old calendar I could not bear to destroy the beautiful pictures. I sent them—through the Victoria League—to a settler in Canada, and they were received with the greatest enthusiasm."—*Letter in the London Times.*

In this bleak and dreary country second-hand calendars no doubt make life sufferable. But we hope this charitably minded British woman will not send us any. We have only one problem regarding calendars: what to do with the scores of them that clutter up the office mail every December and January.

* * *

In at least three Canadian cities, the eight-hour day for special nurses is now in effect. The "day" nurse and the "night" nurse have become an anachronism.

Curiously no one seems to lose very much by the change. The patient who must have constant nursing attendance will pay—taking Toronto for example—$4 for eight hours, plus the cost of one meal. Formerly he would have paid $5 for 12 hours plus the cost of three meals. The former total cost was $12.50 a day. Now it is $13.25, just 75 cents a day more.

If three nurses share $13.25 a day where two nurses shared $12.50 it would appear at first glance that the nurses must lose. But will they? The great loss that nurses have suffered has been extended periods of unemployment between short cases. Also they have suffered from the fact that if they had a long case it was so tiring that they had to follow it with an extended and non-productive holiday to rest up. The nurses will probably average about the same income as formerly and will be able to enjoy life more.

It is undoubtedly an advance.

* * *

Charles Hayden, New York banker, who died recently, was chairman of the board of International Nickel Co. In his will he left almost his entire estate, valued at $50 millions, to establish a foundation for improvement, education and advancement of American boys. His will said in part:

"I am firmly convinced that the future of this nation, and of the world for that matter, depends in no small part upon the young men of the United States, and that, if they receive proper training in boyhood and youth, through education, mental recreation, wholesome educational entertainment and co-ordinated physical training, and more than all, if in addition they be fostered and encouraged in the manner of right and proper living and the principles thereof properly inculcated, to the end that they may be kept from evil environments and guarded against baneful influences, we shall rear a nobler race of men, who will make better and more enlightened citizens, to the ultimate benefit of mankind."

It is a noble ideal though one may regret that a man who made such a large part of his fortune in Canada did not see fit to include Canadian youth in his testament.

Sayings of the Week

"I think 1937 will perhaps decide the future of our civilization."—*Anthony Eden.*

* * *

"We can only go as fast as the people can stand it."—*Premier Aberhart.*

* * *

"If we could put a wall around Europe we could have a ready-made lunatic asylum."—*Dr. Maude Royden.*

* * *

"Governments that cannot permit free and unrestricted criticisms of their activities should resign."—*Col. Victor Sifton.*

* * *

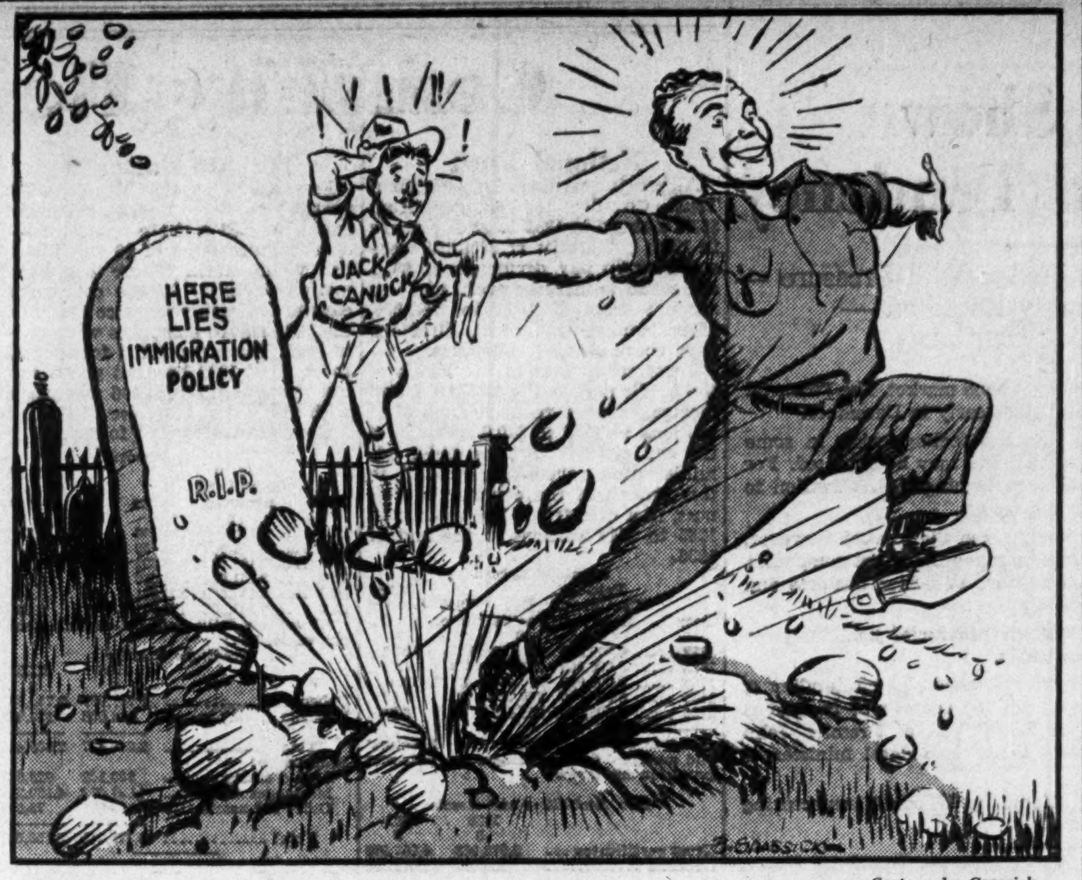
"We must either shove our enterprise back to our economics or bring our economics abreast of our enterprise."—*Glenn Frank.*

* * *

"When war becomes a matter of equal sacrifice for all with special privilege for none, there will be less propaganda for war."—*H. W. Colmery—National Commander, American Legion.*

* * *

"The well-being and progress of a nation depend, not upon the wisdom and power of government, but upon the character and virtues of the people."—*Ogden L. Mills.*



PRETTY LIVELY FOR A "DEAD" ISSUE

—*Cartoon by Grassick.*

As Others See Us . . . .

Leadership Lacking
Charlottetown Guardian

Leading papers express keen disappointment with the results of the recent Dominion-Provincial financial conference at Ottawa. The Winnipeg Free Press, in an editorial too long for quotation, voices practically the same opinion as was expressed in the comment of The Financial Post, quoted in these columns recently. There is no doubt that the Dominion Government was expected to give leadership at the conference in the matter of refunding loan obligations, and that it failed to do so.

Fairly Painless Exile
Quebec Chronicle-Telegraph

The Financial Post claims and produces definite instances to support its contention, that a number of men prominent in Canadian business are leaving the country, self-exiled by taxes. The effect of this disclosure is rather weakened, however, by the admission that the exodus has not yet reached alarming proportions and that there are other motives for it such as advancing years, retirement and ill-health.

Nevertheless, there is a lesson as to what may follow from taxation, if pushed too far, in the cases cited by The Financial Post, that will bear thinking over.

Western Problems
Lethbridge Herald

Sometimes East and West do not agree. Sometimes they disagree violently. When East and West agree it is worth noting. The Financial Post agrees with the Edmonton Journal that the West has a problem just as important as the problem of the Maritimes was back in 1926 when the Duncan Commission was decreed by the King Government then in power, and is inclined to support the Journal's plea for a commission to study the problems of the Prairie Provinces.

There is nothing to be gained by ignoring the problem of the Western plains. There is much to be gained by facing it and seeking the best solution as was done in the case of the Maritimes. Surely it is worth while to make the 2,500,000 people between the Great Lakes and the Rockies contented Canadians.

Duncan Commissions
Glace Bay Gazette

The Edmonton Jurnal takes the lead in a demand for a "Duncan Commission" for the Western Provinces, the contention being that the West is suffering from economic disabilities in its relations with central Canada. The enquiry would be similar to that undertaken in the Maritime Provinces 10 years ago. If the Maritime enquiry did not result in any material improvement it at least, The Financial Post thinks, served to allay discontent.

If the weight of opinion in the West favors a Duncan Commission the commission, or one with another name, will be forthcoming. The Financial Post seems to think that in the event of such an enquiry being held it is not unlikely to show that the West is getting an even break, or more, as it is. At the same time a "non-partisan, non-sectional appraisal of the economic position of the West" might be useful. The difficulty is in the point of view. From the standpoint of Ontario and Quebec central Canada is the dominion. The Maritime Provinces were annexed while the Western Provinces were acquired. Thus these territorial extensions of Canada, east and west, are not, as a matter of actual practice, on the same footing as the two major provinces, originally Upper Canada and Lower Canada. Perhaps the name Canada for the British North American federation was a mistake.

Tells Why Edward Quit
The Globe and Mail, Toronto

The difficulty of appraising, on this side of the Atlantic, the circumstances causing King Edward to abdicate has been shown by the varied opinions firmly held. It was this which led The Globe and Mail to close its correspondence columns to discussion of the subject. It appeared no good could be accomplished by a debate founded on indefinite information and surmise.

Possibly the whole truth will not be known to the world until history revals it in the harmless future. Mr. Beverley Baxter states in his article published in Maclean's Magazine that "Edward did not abdicate the Throne in order to marry Mrs. Simpson. He abdicated because, in his own opinion, his actions rendered him unfit to occupy the Throne of Britain any longer." Whatever the background of it all, there is no doubt about the absorbing interest in any story throwing light on the facts. Maclean's did a fine bit of journalistic work in securing the Baxter article, and the publishers duplicated their enterprise in reprinting the text in the current issue of The Financial Post when the issue of Maclean's Magazine failed to meet the demand.

Mr. Baxter was in a position to obtain reliable information, and has given an intensely interesting account of events not generally known.

Baxter Tells All
J. V. McAree in "The Fourth Column" of The Globe and Mail, Toronto

Some months ago we were shown a letter written by Beverley Baxter to a friend in Toronto. He spoke about the intention of the King to marry Mrs. Simpson and said that Baldwin would resign. That was at a time when only a few thousand people in the British Isles had ever heard of Mrs. Simpson. As a member of the House of Commons, a former editor of a great London newspaper, to say nothing of his screen affiliations, Mr. Baxter is in an extraordinarily favorable position to know all that went on in those exciting days after the scandal became public, as well as what went before. He has broken down and told all in Maclean's Magazine. We may say that the issue containing the story was as hard to get after it had been on the stands a couple of days as if it had been seized by the police. So great was the demand for it that The Financial Post republished the Baxter story, which is something extremely rare if not unique in the annals of Canadian weekly publications.

New Books

Migration Populations

RESTLESS AMERICANS. By Clifton T. Little. Published by Public Affairs Committee, National Press Building, Washington. Price 10 cents.

A summary of the report of the Study of Population Redistribution, this small pamphlet discusses the need for controlled migration in the United States to clean up industrial and farming black spots and give people broader economic opportunities.

Handling Your Money

MANAGING PERSONAL FINANCES. By David F. Jordan. Published by Prentice-Hall, Inc., 70 Fifth Ave., New York. Price $3.

This volume starts off with a smart but sound piece of advice. The author, who is professor of public finance at New York University, says:

"The best investment that people, especially young persons, can make is in themselves. Money spent to improve one's self is money saved in the most secure of all banks. After a certain reserve has been set aside for such things as unemployment and accident, money earned can probably be more advantageously spent than saved. Until one has reached the age of 30, this is almost certainly true."

This is unorthodox stuff but it is so refreshingly realistic and true that one reads the book to find if the whole volume is as tersely helpful. It is. "The sub-title is "How to Use Money Intelligently." Investment occupies a big place in the book but investment is regarded as only one of the ways, and not often always the best way, to use money intelligently.

There are chapters on buying a home, on budgetting wisely, on life insurance and annuities, on buying and selling stocks, on borrowing money and buying on the installment plan, on drawing up a will, on starting a business and on how to remit and safeguard money.

There is little of the technical in the volume. From first to last it is written with a desire to be really helpful to the average man and woman and it succeeds admirably. The author does not set up standards and yardsticks that are beyond the practical possibility of attainment in the ordinary life of the average white-collar man.

Economics Made Simple

AN INTRODUCTION TO ECONOMIC ANALYSIS AND POLICY. By Prof. J. E. Meade. Published by Oxford University Press, Toronto. Price $3.

The author, who lectures in economics at Hertford College, has set out to do two things: to boil down all accepted economic theory into a single and relatively small handbook; and to incorporate the most up-to-date ideas of the men who are doing the world's economic thinking, such as Keynes, Taussig and Dalton.

How close he has come to achieving his objectives will be a matter for argument. He has been more influenced by the unorthodox and the Socialist economists than by those who stick to the traditions of the classical school. He dismisses the argument that there is any great flaw in our monetary or pricing system. He would solve the unemployment problem by monetary management with the tools we now have. He urges taxation as a means to achieve a broader diffusion of incomes and wealth and wants the state to exercise greater control of business and economic trends.

Post-Scripts

Boy With Plenty of "Push"

HAVE you a little bell-ringer in your house?

A woman walked into a suburban branch of a bank in Toronto the other day with her small son. A moment later an alarm bell outside the bank began to ring, policemen rushed in with drawn revolvers, a police patrol car drew up at the curb.

The manager hurried out of his office and shouted, "Where's the hold-up." Simultaneously the police asked the manager the same question.

There was no sign of a hold-up. The staff investigated and found the small boy hiding behind a desk. He had slipped the catch off the swing door leading into the working space in the bank, had found a button and pushed it. It was the alarm button.

The mother was abashed. Her first inclination was to knock the daylights out of the boy. Instead she carried herself with poise and dignity and stayed in the background, refusing to acknowledge her child. At a suitable moment, when no one was looking, she grabbed his arm and hustled him out of the bank.

She confessed the incident the other day when she was calling with her son on the head of a hospital. The doctor was surprised when his secretary and two or three nurses walked into the room without knocking. He looked around and found the boy busy pressing buttons.

* * *

Slips That Sell Aspirin

TYPOGRAPHICAL errors and slips in newspaper make-up are always good for a laugh anywhere—except in a newspaper office. There they are just a headache and sometimes a tragedy.

We feel though that the Harrisburgh, Pa., Telegraph deserved all the jeers it got the other day for one slip that appeared in that paper. It was trying a stunt that any newspaper editor could have forecast would lead to trouble sometime.

In the interests of safe driving the Telegraph set up a number of lines of bold face type, which it distributed rather indiscriminately throughout the paper, at the end of other stories, hoping to catch its readers' attention at unexpected moments. It succeeded all right. At the end of the obituary column this line appeared:

"Bring 'Em Back Alive."

Then there was the incident the other day in the office of the Minneapolis Tribune when it had three headings side by side. Two of them were atop of pictures of people recently in the news and the third was the title of a new serial story.

From left to right they read:

"King Edward VIII Thou Shalt Not Love Mrs. Wallis Simpson."

* * *

Utopia

THE annual meeting of a chartered bank is more often than not an occasion for the utterance of pontifical thoughts on almost every conceivable subject. Last week's meeting of the Royal Bank of Canada was different. Hon. C. W. Anderson, a member of the Nova Scotia Government, enlivened the proceedings by saying a few words about his home county — Guysboro. He told his audience that Guysboro had the lowest taxation of any place in Canada. It had no relief problem or unemployment. Crime was non-existent and the county jail had been closed for six years. The reason for this Utopian state of affairs was not made quite clear to his hearers, unless it was his concluding remark that 75% of the banking business in the county was handled by the Royal Bank.

Check Maple Sugar Making

During the 1935-36 season, inspectors of the fruit branch, Dominion Department of Agriculture, visited 290 maple sugar bushes and manufacturing plants, as compared with 128 such visits during 1934-35. These inspections were made to check on the sanitary conditions under which maple products were produced and handled in Canada, also to search out the possibility of adulteration in manufacturing plants.

In the Mail

(Not over 200 words, please)

Wages and Who Gets Them

Editor, The Financial Post:

I heartily agree with editorial in last Post, "Wage Increases, but for Whom." Also the letter in the same vein from C. W. Peterson. Such a line of thought has been too much in the background during these depression years, and for the want of it, recovery has been retarded.

You said it in the last paragraph: "Increased wages for the underpaid are a much greater social and national necessity than higher wages for well-sheltered workers."

For myself I am well fed up with the scheming of organized labor for a higher and still higher wage for a protected class, who are less than 10% of all workers. And Mr. Peterson well said it, "Organized labor has'nt played the game during this depression."

This Industrial Standards Act, too, is more sand in the economic machine, as anyone can see in the slow recovery of the building industry.

This word in commendation of your paper's attitude to the question of position of labor in our economy. We want good wages but not to the detriment of those who cannot get wages.

READER,

Fort William.

Folks in Finance

More Than One Hobby

EVERY man ought to have a hobby, but Robert Fennell, newly-elected vice-president of the National Life, seems to have indulged in more than his fair share.

Up between Lindsay and Bobcaygeon he has a farm, one square mile in extent, on which he raises fine Aberdeen-Angus cattle. He imports the foundation stock from Scotland and he hopes that one result of his farming activities will be to raise the general standards of livestock breeds in Victoria county.

The letterhead of the Summer Symphony Association gives another clue to Mr. Fennell's wide interests for there he is listed as a vice-president. Moreover he is a very active one. The S.S.A. provides moral and financial backing for Reginald Stewart's "Prom" concerts that are a fine feature of Toronto's summer life.

He is a director of the Toronto Ski Club and retains his enthusiasm for skiing despite a broken-leg incident of last winter and lack of snow this winter.

There is an old rule that when you want a job done quickly you should "get a busy man to do it." No doubt that is why Mr. Fennell is always being asked to give his advice and assistance to public and community activities of the character of those mentioned. He found time one year to be president of the Empire Club and has been associated with the Toronto activities of the National Council of Education.

If one could publish a list of clients it would no doubt provide a list as diversified as Mr. Fennell's hobbies. He is counsel for a considerable number of leading industrial, financial and commercial firms.

Other People's Views . . . .

The Worst So Seldom Happens
Toronto Star

Private interests are to advance the sum necessary to "save" the Toronto baseball club. And a news item says it will not be as large a sum as the $35,000 which Toronto was asked to lend "on good security."

That being the case, it is perhaps opportune to recall once more that many of the worst things in life never come to pass. This is especially true of the things which are cited as the inevitable alternative if a municipality does not lend somebody money. In the present instance, the ball franchise was to be transferred to Albany if the city did not "whack up" $35,000. The city refused to "whack," and private enthusiasts then came forward with whatever money is necessary. That is as it should be.

The controllers are to be congratulated on having turned down the proposal—a loan which the law would define as a bonus if the recipient were an industry.

How Saskatchewan Plan Developed
Edmonton Journal

It is quite wrong to assume that the Alberta debt reduction legislation brought about the adoption of the Saskatchewan drought area plan. Though the latter was not completed until shortly after the former was passed at the special session last August, steps to relieve the debt burdens of the drought-stricken formers of the neighboring province had been taken a considerable time before and the agreement reached in September was the culmination of these.

Arrangements for the adjustment of mortgage debts in the area in question were made in 1935 between the Saskatchewan Government and the companies. They worked out well but too slowly. There were several reasons for the delay. The accounts were treated individually and every municipality was dealt with separately in securing write-offs of taxes. In addition the Provincial Government, while cancelling relief liens, was seeking to have the federal authorities help in this respect to a greater extent.

Negotiations were reopened in July of last year with a view to speeding up the process through changing the plan to a blanket arrangement. Work to that end was carried on till at the close of August a conference was called for the middle of September at Regina. It brought into effect the blanket plan which has afforded prompt and substantial relief to those in the area covered.

Stop Me If You've Heard This One . .

Scene: A lonely spot on a dark night.

"Would the gentleman be so kind as to assist a poor man. Besides this revolver, I have nothing in this wide world!"

Week in Business

Algoma Steel Signs New Wage Agreement

Trade Hesitancy Traced to Ottawa Negotiations — Cigarettes and Cost of Living

Agreement has been signed by Algoma Steel Corp. with the Algoma Steel Workers' Union whereby the basic rate of wages has been increased from 33 to 37½ cents an hour and a maximum work day of eight hours established throughout the industry. Expiration date of the agreement is March 1, 1937, but in the event of no notice being given then, the agreement is to continue in force until September 30 of that year.

The agreement accepted corresponds with a plan of the Conciliation Board with the exception that "if the monthly production of ingots manufactured between Jan. 1 and June 3 inclusive, exceeds by 3,000 tons or more per month the present production of approximately 24,000 tons per month, then on July 1 or at any time thereafter during the term of the agreement the employees shall be free to open negotiations on a three-day notice to the employer 'for further wage increases.'"

* * * *

Trade Hesitancy

There has been some hesitancy in trade commitments in recent weeks due to fear of what may happen when the new Canada-U.K. trade pact is announced. Almost every day some story appears from Ottawa bearing on the proposed treaty and until details of the agreement are definitely announced there will be continued hesitation on the part of importers.

The latest complication is the report that Mr. Runciman's visit to Washington is linked with a possible three-way agreement between Canada, the United States and Great Britain. To what extent this would affect the Canadian agreement with U.K., directly, is not yet clear but it seems probable that this has been an added factor in delaying the announcement from Ottawa of proposals which have been under discussion now for seven or eight months.

* * * *

Cigarette Billions

How many cigarettes did Canadians smoke last year? The answer has just come out with the release of official "consumption" figures from the Department of Excise at Ottawa. The figure is 5.6 billions which is a new record mark in Canadian tobacco history. It compares with 5.3 billions in 1935 and a previous pre-depression peak of just over the 5 billion mark. The low point was 3.7 millions in 1932, indicating a recovery in the three-year period of over 50%.

Worked out on the traditional per capita basis and using the latest official estimate of Canadian population in 1936, this means about 510 cigarettes a year for every man, woman and child in the Dominion.

* * * *

High Cost of Living

And apart from a higher tobacco bill, Canadians are steadily paying more for the other necessities of their daily life. The cost of a weekly family budget for certain items of food, fuel and rent as worked out by the Department of Labor at Ottawa each month is now within one cent of the $17 mark. It has risen fairly steadily since the low point of $15.41 in midsummer of 1933 and is now back to the level of March, 1932. The high point was $22.17 in January, 1930. The high point for leading Canadian cities seems to be Sudbury where the comparative figure for December is still above the $20 mark.

Favorable

Carloadings started the new year with a 30% gain over corresponding totals for the same week in 1936. This spectacular increase is somewhat affected by reason of a difference in holidays but even after adjustment, the Bureau of Statistics index moved 15 points to a new high mark of 90 (the 1926 average equals 100). Major factor in the increase was a 46% jump in loadings of miscellaneous freight.

Wheat Flour Exports rose sharply in December and brought the cumulative 12 months figure to within striking distance of the corresponding total for 1935.

Unfavorable

Bond Sales, Building Permits and Cigarettes entered for consumption were all lower in December as compared with 1935.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1937	Latest 1936	Cumulative Total Jan. 1 to date 1937	Cumulative Total Jan. 1 to date 1936
Transportation—				
Car loadings (Jan. 9)	▲45,005	34,458	......	......
C.N.R. gross earn. (Jan. 14)	$ ▲3,249,123	$ 3,032,701	$ 6,164,604	$ 5,617,019
C.P.R. gross earn. (Jan. 14)	$ ▲2,328,000	$ 2,037,000	$ 4,751,000	$ 4,053,000
Business Conditions—				
Weekly index D.B.S. (Jan. 9)	▲116.7	103.8	......	......
MONTHLY DATA	**1936**	**1935**	**1936**	**1935**
Business Conditions				
Financial Post index (Dec.)	▲118.2	108.0	......	......
Transportation—				
C.P.R. net revenue (Nov.)	$ 3,536,651	$ 3,455,408	$ 19,769,303	$ 19,091,510
C.N.R. net revenue (Nov.)	$ 2,383,271	$ 2,329,155	$ 12,227,251	$ 12,091,780
Iron and Steel (November)—				
Pig iron production (tons)	74,337	64,562	610,173	529,147
Steel ingots and castings prod. (tons)	98,534	94,074	1,010,598	836,794
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Nov.)	5,373	5,201	84,620	77,998
Factory output (Nov.)	10,086	12,042	114,766	128,374
Trucks and Buses:				
Domestic sales* (Nov.)	618	814	19,417	17,377
Factory output (Nov.)	726	1,454	27,145	30,848
Exports (Nov.)	5,161	5,601	51,860	59,021
Construction—				
Building permits (Dec.)	$ ▲3,225,274	$ 2,401,856	$ 39,809,442	$ 46,560,623
Contracts awarded (Dec.)	$ 6,118,800	$ 4,364,900	$ 162,588,000	$ 160,305,000
Newsprint (tons)—				
Production (Nov.)	285,771	262,854	2,890,602	2,507,983
Exports, tons (Nov.)	295,832	244,037	2,706,850	2,297,244
Sugar (lb.)—				
Melting & sales§ (raw)	98,015,822	97,102,444	881,511,909	813,173,926
Manufactured§	137,483,110	137,439,534	959,927,834	891,945,739
Flour (bbls.)—				
Production (Nov.)	1,459,388	1,603,803	13,867,478	13,251,583
Wheat flour exports (Dec.)	▲475,232	443,828	4,850,071	4,881,017
Trade—				
Retail trade (index no. of sales) (November)	76.6	72.5	......	......
Imports (November)	$ 66,169,416	$ 55,958,033	$ 582,194,350	$ 511,745,369
Exports (November)	$ 122,866,120	$ 95,685,286	$ 928,495,289	$ 759,098,557
Wheat exports (bush.) (Dec.)	▲20,427,916	17,043,862	243,041,530	165,672,671
Employment, D.B.S. Index (Dec. 1)—				
All industries	110.1	104.6	......	......
Manufacturing (Nov. 1)	107.7	103.5	......	......
Electric Power Output (Nov.)—				
Total monthly m.k.h. (000's omitted)	2,261,090	2,143,314	23,167,895	21,247,887
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (November)	173,447	121,444	1,496,293	1,228,208
Boot & shoe prod., pr. (Nov.)	1,602,330	1,706,149	20,348,589	20,146,700
Crude petrol., imp. gal. (Nov.)	146,192,036	137,399,424	1,184,094,133	1,119,154,496
Cotton imports, lb. (Nov.)	21,105,486	13,814,244	129,444,442	107,433,529
Raw rubber imp., lb. (Nov.)	9,649,176	9,832,033	60,148,707	54,443,440
Coal imports, tons (Nov.)	1,598,094	1,360,058	12,637,744	12,205,446
Cigarette cons., (Dec.) No.†	▲435,425	461,468	5,600,448	5,305,369
Finance—				
Bank debits (Nov.)†	$ 3,302,562	$ 3,021,511	$ 32,524,015	$ 28,613,763
Bond sales (Dec.)	$ ▲94,812,250	$ 119,929,500	$ 1,296,208,046	$ 985,145,390
Life insurance sales (Nov.)	$ 37,813,000	$ 35,158,000	$ 340,215,000	$ 332,836,000
Automobile Financing (Nov.)—				
Used cars	$ 1,302,562	$ 1,050,592	$ 23,167,591	$ 16,989,584
New cars	$ 1,448,743	$ 1,242,813	$ 27,512,798	$ 21,125,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to November 30.

Attractive Corporation Investments

Brief particulars, including interest coverage, etc., of a number of public utility and industrial securities are given in our January investment pamphlet.

Ask for a copy today. It should prove helpful in selecting investments for current funds.

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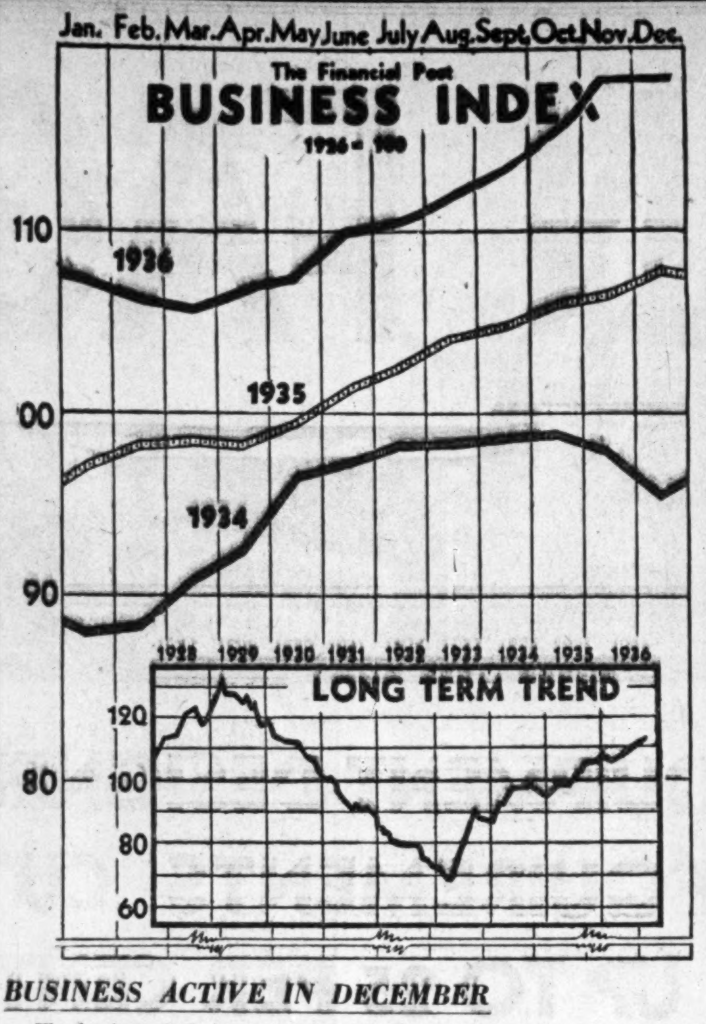

BUSINESS ACTIVE IN DECEMBER

The business index was nearly maintained in December, showing only a fractional recession from the high level of November. The index has recently been at a new high point since the early months of 1930, a gain of about 9% having been shown over the average for 1935.

Major Canadian Economic Factors

		December 1936	December 1935	November 1936	Inc. or Dec. December 1936-1935
Financial Post business index		118.2	108.0	118.5	+9.4
Wholesale prices		79.7	72.7	77.2	+9.6
Common stock prices		129.2	107.4	131.8	+2.0
Shares traded, Montreal	No.	978,607	590,284	1,502,222	+65.8
Inverted index of Dom. bond yields		156.0	132.5	153.6	+17.7
Bank deposits (preceding month)		115.9	108.7	114.0	+6.6
Mineral production:					
Copper exports	cwt.	336,255	302,024	374,877	+11.3
Nickel exports	cwt.	160,439	104,976	149,492	+52.8
Zinc exports	cwt.	183,369	226,402	194,424	—19.0
Gold shipments	fine oz.	349,635	285,336	333,899	+22.5
Silver shipments	fine oz.	917,286	4,047,792	989,498	—77.3
Bauxite imports	cwt.	260,560	134,214	314,076	+94.1
Manufacturing production:					
Sugar manufactured	lb.	157,483,110	137,439,534	141,335,351	+14.6
Cattle slaughterings	No.	112,154	88,895	142,167	+26.2
Hog slaughterings	No.	412,311	268,824	410,449	+53.4
Raw cotton imports	lb.	20,842,725	22,186,866	21,105,486	—6.1
Cotton yarn imports	lb.	361,611	423,062	411,810	—14.5
Newsprint production	tons	289,312	244,732	285,771	+18.2
Woodpulp exports	cwt.	1,190,976	1,316,783	1,303,899	—9.6
Steel ingot production	tons	103,952	98,888	98,534	+5.1
Pig iron production	tons	68,499	70,647	74,337	—3.0
Petroleum imports	gal.	60,569,143	55,639,590	146,192,066	+8.9
Crude rubber imports	lb.	2,673,053	5,745,825	9,649,176	—53.5
Exports of planks and boards	ft.	184,104,000	111,523,000	173,447,000	+65.1
Construction: Contracts awarded	$	6,118,300	4,364,900	13,840,400	+40.2
Building permits	$	3,225,274	2,401,856	3,030,425	+34.3
Railways: Carloadings	No.	205,679	173,531	219,914	+18.5

Background of Business

Lumber Camps Hit By Lack of Snow

Express Business Gains 8 Per Cent in Past Year — Miners Idle

An increase of 8% in the number of express shipments handled during 1936 is reported by G. E. Bellerose, general manager, Canadian National Express Co. Movement of Christmas merchandise is reported the heaviest for a number of years. Parcels of express shipments showing special improvement during the year were general merchandise, foodstuffs including fresh fish from both salt and fresh water, live lobsters, also baby chicks and live bees to farming districts. There is also a very noticeable increase in the number of shipments of fox pelts to points in the Maritime Provinces and in the number of shipments from those points of dressed skins for export.

* * *

Lumber Lacks Snow

Increased costs for scores of lumber operators during 1936-37 are anticipated as a result of lack of snow.

With the largest working force in the woods in many years thousands of men and teams are standing idle due to lack of sufficient snow to haul logs to the streams. At least a foot and a half of snow is needed. In many points the ground is bare or at best covered with a few inches of snow. Hauling teams are thus being kept idle in the woods and if sufficient snow does not arrive then considerable quantities of lumber may have to be left in the bush. In normal years, hauling starts by Jan. 1.

* * *

Miners Idle

Two mine disputes in Nova Scotia were reported last week with 600 men walking out at Florence because of objections to reallocation of men at the coal face.

Other disputes were reported at Bright Light Mine at River Hebert, at Joggins and Springhill. At the two latter places several hundred men were involved through closing of collieries or petering out of coal seams.

* * *

Printers' Gains

A pronounced increase in general advertising linage during the last three months of 1936 featured the printing industry in Eastern Canada according to a survey by Printer and Publisher.

Paper supply houses are reported showing increases of from 5 to 10% in sales. Tonnage in paper business was reported up well but more of the lower grades used.

Commercial printers report a feature of 1936 was the request for better classes of printing and a revival of color work to a greater extent than at any period since 1930. Some cut-rate conditions continued to prevail while another unfavorable feature was the removal of the tariff on foreign publications which caused a loss of printing on some 55 to 60 United States publications.

* * *

Cheaper Than Gas

Tests recently made public by the Vancouver laboratory of the Forest Service Branch, federal department of mines and resources, claim that automobile trucks operated with charcoal-gas generators can be made to operate more cheaply than with gasoline. Tests have been made with a 1½-ton truck using charcoal made from several B. C. hardwoods and softwoods. Relative costs of operation of the test truck using charcoal of different species at $20 a ton and gasoline at 30 cents a gallon which was the price when tests were begun resulted as follows. Alongside this table is also shown the relative efficiency of the various fuels as gauged by the laboratory workers.

Type of Fuel:	Cents per ton mile	Ton miles per lb. of charcoal
Douglas fir cordwood charcoal	.24	4.2
Red Alder charcoal	.26	3.9
Lodgepole pine charcoal	.27	3.7
Cottonwood charcoal	.30	3.3
Gasoline	.57	..

* * *

Coronation Contracts

Some guide as to the legal position of coronation contracts is indicated by the precedent of the coronation of King Edward VII in 1902, according to Hardware Trade Journal of London. This was originally arranged for June 26 but owing to the King's illness was postponed to August 9. As a result many contracts were broken and for the following years the law courts were busily engaged in deciding who should bear the loss.

In brief, the decisions followed the general rule that where payment had been made, courts said it could not be recovered; where it had not been made it could not be enforced.

One difference in the situation this year is that many manufacturers inserted a non-cancellation clause in their contract stipulating that under no circumstances should the retailers refuse delivery of the goods. Those who signed such a contract are, it is believed, bound by its terms, says Hardware and Metal.

Burley Unsold

With buying at a standstill, it was estimated that approximately 3,000,000 pounds of southwestern Ontario's 9,500,000-pound burley tobacco crop has yet to be sold.

Buying has been light since the holiday season. It is reported that purchasing companies in the field have bought to their requirements and that others will seek only small quantities of the remaining unsold crop.

Public Utility Earnings

Southern Canada Power

December:	1936 $	1935 $
Gross revenue	193,196	181,695
Operating expenses	77,437	70,014
Net revenue	115,759	111,681
Int., deprec., divds.	113,502	111,230
Surplus	2,257	451
3 Mos. ended Dec.		
Gross revenue	557,627	551,110
Operating expenses	236,830	217,653
Net revenue	340,797	333,457
Int., deprec., divds.	331,537	327,643
Surplus	9,260	5,814

B. C. Power

December:	1936 $	1935 $
Gross income	1,332,340	1,221,046
Oper. expenses	871,009	776,768
Net income	461,331	444,278
6 Mos. ended Dec.:		
Gross income	7,396,548	6,868,821
Oper. expenses	5,066,745	4,636,628
Net income	2,329,803	2,232,193

INDUSTRIAL ACCEPTANCE CORPORATION
4% Notes
Convertible into Common Stock. Due Jan. 2, 1952.
PRICE: 100 and Interest
Assets $2,285 for each $1,000 note.

Interest requirements covered in 1936 over five times. Estimated 1937 earnings will cover note interest approximately six times. In no year during the depression was note interest covered less than two and one-third times.

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Business Gain Average Is 9% For Past Year

December Volume Is Maintained Close to 1936 High Point — Metals Output Feature

Business operations showed considerable acceleration during 1936. After showing a slight recession in the first quarter, business operations moved up sharply during the remainder of the year. The Financial Post business index consequently averaged 111.4 during the year against 102.2 in 1935. The gain of 9% represents marked improvement in most fields of private enterprise.

According to preliminary calculations the business index was nearly maintained in December from the preceding month, the standing having been 118.2 against 118.5 in November.

Mining Factors Strong

Exports of nickel in December showed a contraseasonal gain, but copper exports continued the recession shown in November. An outstanding development was the increase in lead production to a remarkably high point. The total at 38,300,000 pounds was greater than in any other month in history.

Zinc exports showed decline from the preceding month, the index dropping off from 112.8 to 101.6. Shipments of gold were larger than in any other December. Exports of asbestos were heavy at the year-end but imports of bauxite for the manufacture of aluminum showed a contraseasonal decline from November.

Manufacturing Spotty

Manufacture of foodstuffs was in considerably lesser volume than in the preceding month. The milling industry operated at a considerably lower level in the latest month for which statistics are available. The manufacture of sugar continued heavy, the total in the last four-week period having been 157.5 million pounds. The index of livestock slaughterings moved up from 144.7 in November to 150.9.

One of the heavy reverses of the month was the decline in the imports of crude rubber, which amounted to only 2,673,000 pounds. Raw cotton imports moved downward contrary to seasonal expectations. The decline in the index was about nine points to 143. Forward movement of wool on the other hand, was comparatively heavy, the adjusted index moving up from 143.7 to 159.2.

Newsprint at New High

Production of newsprint exceeded all previous records for December, a slight gain being shown over November even before seasonal adjustment. The exports of wood pulp were nearly maintained after seasonal adjustment. A sharp gain was shown in the exports of planks and boards, exports of the month being greater than in any December since 1922. The exports of shingles were a new high for December during the post-war period. The net result was that the index for the forestry group advanced from 131 to 149.5.

Heavy Industries

The primary iron and steel industry was comparatively active, the output of steel ingots having been 103,952 tons against 98,534. The output of pig iron, on the other hand, showed some decline from November. Coke production also showed an increase both before and after seasonal adjustment. Imports of petroleum declined from the high level of November. The index dropped from 288.5 to 131.1.

Building permits showed a gain over November when a decline would have naturally been expected from seasonal considerations. The placing of contracts on the other hand, showed a sharp decline, the index being off from 62.7 to 30.5. The decline in car loadings was less than normal for the season, the index showing a gain of about 10 points to 78.8. Being affected by heavy retail trade bank debits recorded a gain in December. The index advanced about 8 points to 138.

While preliminary calculations indicate that business operations showed slight recession in December, the financial background was strong. Commodity markets were active and the index of wholesale prices moved up to the highest point for any month since the latter part of 1930. Capitalized bond yields averaged considerably higher than in October or November. The advance in bank deposits in progress for two and a half years was continued at the first of the month. Common stock prices averaged slightly lower in December than in the preceding month following the rapid advance for three months.

Sales Tax Gain Is 38 Per Cent

Business Tax Revenue Rises 29% in Past Nine Months

In the last nine months of 1936 Ottawa collected from sales and other business taxes $111.1 millions, an increase of 29.5% over the corresponding figure in 1935.

Analysis of these figures prepared by the department for The Financial Post shows the bulk of this $25 million gain is credited directly to the sales tax. In this nine-month period, revenue from this source alone reached the new record figure of $82.4 millions, a gain of 38% from the corresponding figure in 1935.

This means that not only has Canadian business activity overcome the handicap of a substantial increase in the amount of the tax last year but that actually business volume has gained substantially more than had been expected.

Thus the increase of the tax from 6% to 8% would have resulted in a higher tax return of 33%. Assuming the same volume of business. The actual gain as indicated by tax returns for nine months, is 38%.

Other interesting gains are an increase of 11% in revenue from the tax on long distance telephone calls and a gain of 4.7% on toilet preparations and soaps.

Comparative figures follow:

Excise Tax Collections
(First 9 months of fiscal year)

	1936 $	1935 $
Licenses	22,087	19,017
Stamps	3,936,554	3,207,771
Sales	82,377,200	59,589,554
Automobiles	332,731	259,941
Tires and tubes	802,959	800,072
Matches	1,030,003	1,034,195
Cards	170,060	200,942
Cigars	76,948	78,102
Lighters	96,216	43,672
Malt prod.	50	1,372
Wines	134,704	141,951
Sugar	7,743,467	7,773,747
Toilet prep.	695,352	678,163
Toilet soap	154,285	133,186
Emb. cheques	176,660	171,022
Berths & par. cars	336,866	329,170
Telegrams & radio	336,346	313,819
Telephones	502,319	452,567
Interest	73,860	63,732
Cig. papers & tubes	895,750	821,711
Special excise 3%	11,213,646	9,650,568
Totals	111,108,065	85,764,481

Regardless of the Amount

Whether the amount to be invested is large or small, clients of this firm are assured of careful and courteous attention to their requirements.

A complete investment service is available at any of our Branches

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

ON GUARD

National Trust Company
Limited

Balance Sheet, 31st December, 1936

ASSETS

CAPITAL ACCOUNT:			
Office Premises and Safe Deposit Vaults at Toronto, Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton		$ 963,114.30	
Real Estate held for sale under mortgage foreclosure		1,971,374.09	
Rents due and accrued		3,101.20	
Mortgages and Agreements for Sale:			
Principal	$2,368,066.91		
Interest due and accrued	54,621.72		
		$2,422,688.63	
Loans on Bonds and Stocks		103,500.00	
Securities:			
Provinces of Canada	$ 5,000.00		
Other Bonds and Debentures	67,968.42		
Interest accrued	485.19		
		$ 73,453.61	
Stocks		572,444.23	
Advances to Estates, Trusts and Agencies		124,712.89	
Cash on Hand and in Banks		284,136.30	
			$6,518,525.25
GUARANTEED TRUST ACCOUNT:			
Mortgages:			
Principal	$10,330,013.14		
Interest due and accrued	289,934.00		
		$10,619,947.14	
Loans on Bonds and Stocks		313,500.00	
Securities:			
Dominion of Canada and Provinces of Canada	$4,051,027.07		
Canadian Municipalities	2,235,242.39		
Other Bonds and Debentures	1,725,542.73		
Interest accrued	86,774.53		
		$8,098,586.72	
Stocks		466,325.69	
Cash on Hand and in Banks		1,834,700.69	
			$21,333,060.24
ESTATES, TRUSTS AND AGENCY ACCOUNT:			
Funds and Investments		$249,514,726.32	
			$249,514,726.32
			$277,366,311.81

LIABILITIES

CAPITAL ACCOUNT:			
Capital Stock, subscribed and fully paid	$3,000,000.00		
Reserve Fund	3,000,000.00		
		$6,000,000.00	
Dividend No. 148, payable January 2, 1937		60,000.00	
Reserve for Dominion Income Tax		60,688.99	
Profit and Loss		397,836.26	
			$6,518,525.25
GUARANTEED TRUST ACCOUNT:			
Trust Deposits		$17,660,977.32	
Guaranteed Trust Certificates		3,672,082.92	
			$21,333,060.24
ESTATES, TRUSTS AND AGENCY ACCOUNT:			
Estates, Trusts and Agencies		$249,390,013.43	
Due to Company for Advances to Estates, Trusts and Agencies		124,712.89	
			$249,514,726.32
			$277,366,311.81

PROFIT AND LOSS ACCOUNT
For Year Ending 31st December, 1936

Balance 31st December, 1935	$379,371.52
Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, etc.	351,157.64
	$730,529.16
APPROPRIATED AS FOLLOWS:	
Quarterly Dividends:	
Nos. 145 to 148, inclusive, at the rate of 8% per annum	$240,000.00
To provide for Dominion, Provincial and Municipal Taxes other than taxes on Real Estate	92,692.90
Balance Carried Forward	397,836.26
	$730,529.16

BOARD OF DIRECTORS:

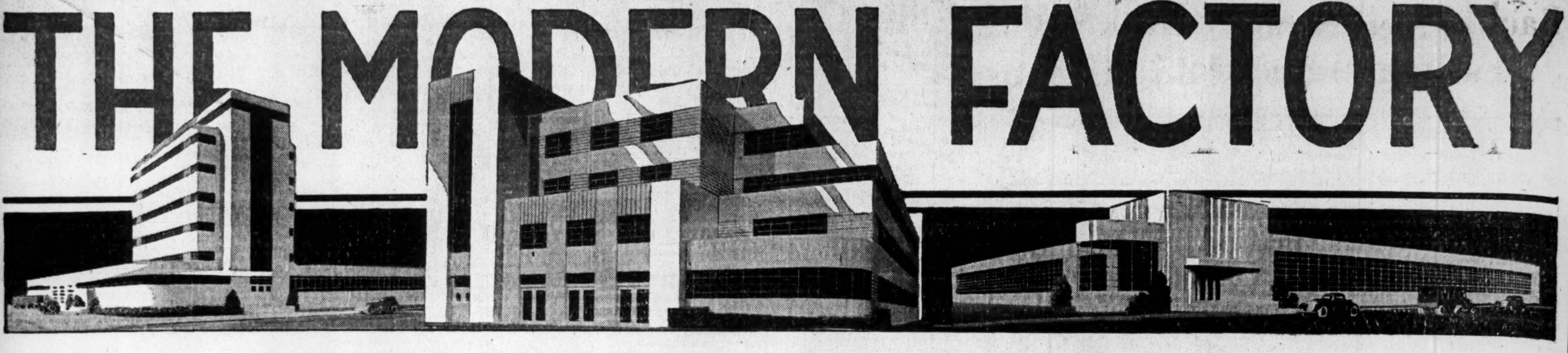
Chairman of the Board: Sir Joseph Flavelle, Bart.
President: W. E. Rundle
Vice-Presidents: E. R. Wood, Herbert C. Cox, Leighton McCarthy, K.C.
The Right Honourable Sir Thomas White, G.C.M.G.

H. B. Walker, H. J. Fuller, W. M. Birks, E. M. Saunders, Sir John Aird, Miller Lash, K.C., A. McT. Campbell, George W. Allan, K.C., Edward FitzGerald, Carl Riordon, W. H. McWilliams, George W. McLaughlin, W. G. Morrow, F. F. Dalley, Thomas C. Haslett, K.C., D'Arcy Martin, K.C., C. S. Wilcox, Walter Molson, William Leggat, James A. Richardson, J. A. McLeod, G. A. Morrow, G. H. Levy, K.C., A. N. Mitchell, The Honourable Frank P. O'Connor, E. G. Long, K.C., Aimé Geoffrion, K.C.

J. M. Macdonnell, *General Manager*

A copy of the Proceedings at the Annual Meeting of Shareholders will be mailed, when available, to those requesting it.

THE MODERN FACTORY



NEW BUILDINGS AND EQUIPMENT DESIGNED TO MEET SPECIAL REQUIREMENTS CUT OPERATING COSTS UP TO 25 PER CENT

SPENDING to save money certainly may be contrary to the old school-boy idea of thrift but in the case of the average factory this apparently contradictory policy has often proved the deciding factor between brilliant success and abject failure. There are exceptions, of course, to every rule but speaking generally those Canadian industrial companies which have been conducting their bookkeeping with good solid black ink in the last two or three years, have always spent liberally on keeping their factories up-to-date.

In this age of ever-keener competition and world-wide near universal prices of commodities or other raw materials, only in the actual manufacturing process is there much opportunity for profit.

Incoming steel, iron, lumber, leather, paint or whatever else that goes into the goods being manufactured may be absolutely identical in cost for two different factories making the same line. Wage rates may be uniform and also freight cost and discounts. Yet while one plant is able to show continuous earnings on its common stock, the other may have to default bond interest. The reason, of course, is due to the wide difference in manufacturing costs. These may easily fluctuate as much as 25 per cent.

* * *

Relentless Pressure

RECENTLY the writer closely inspected a big factory in a typical small Canadian industrial city. While the line of goods manufactured was an extensive one, on the other hand, there was keen competition both by other Canadian manufacturers and from importers. Only by keeping the closest possible scrutiny of manufacturing costs could the management of this concern keep operating profitably.

Let there be some easing of the pressure against costs and sales would immediately suffer, then profits and soon operations. In a short while this concern with its record of 40 years continuous performance would have to close, and 1,400 wage earners, mostly heads of families, would be thrown out of employment.

In this case the plant was not particularly new but neither was it old. Buildings and equipment were in a continual state of flux. Extensions were being made on certain assembly lines, that turned out lines of goods which the present-day market demanded. In another part of the plant assembly lines might be shortened or volume otherwise reduced with subsequent changes in building and equipment because that product was being gradually superseded.

As new designs, new types of goods, new methods of manufacturing were perfected they were immediately adopted. Age, as the average man understands the term, had nothing to do with any replacement. Only so long as any particular process of manufacture was the most efficient obtainable, did machine or equipment carrying out that process remain in operation. Obsolescence was the sole factor governing production here.

* * *

Cutting Overhead

FOR several lines manufactured in this particular plant a certain spiral screw drive was necessary. To make this short bit of tempered machined steel, the old equipment plus a lot of slow hand labor turned out one complete part every ten minutes. Total cost would be about 70 cents; labor 30, raw materials 10 and capital cost overhead 30 cents.

At a cost of $70,000 a new machine was installed with an output of one unit every 60 seconds or 10 times the previous rate. As the factory could easily absorb the increased output, in fact the use of this particular part in several new lines made a greater supply compulsory, overhead was actually cut in two and labor costs divided by ten. Now the part was made for considerably less than 30 cents as compared with 70 before.

Within a few months of its perfection in a city thousands of miles away obsolescence had placed this new piece of equipment in a Canadian plant. Theoretically some labor was displaced by its introduction, but practically the future was assured of this factory with its steadily expanding pay roll and this despite its constant reliance on new labor saving machinery.

* * *

New Processes—Better Goods

IN NEW methods or processes the same relentless and constant replacement must go on. A few years ago cost of finished goods, whether these were automobiles or electric toasters, were generally higher than those prevailing today. The real worth of these goods from the standpoint of durability, however, was considerably less. After a few years of use, light exposed stamped steel, unless constantly repainted, would fall a victim of rust. In laundry and similar equipment which might be constantly exposed to water and other liquid solutions, wear and tear started immediately. Then came cheap rustless steel, and with its introduction rust was eliminated as an early factor in depreciation. Today cheaper goods are being built than ten years ago and these are far more durable.

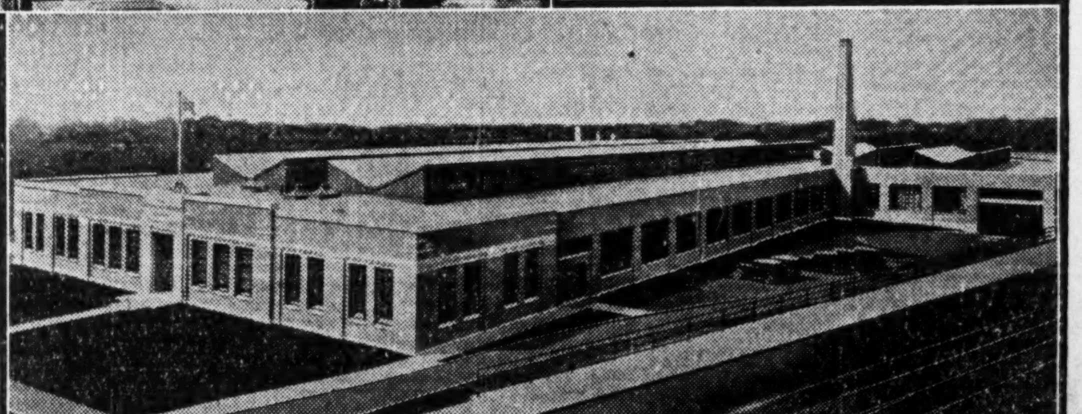
Not so long ago at the end of every assembly line there was a paint room. Slow drying paint or enamel and dust emphatically did not get along together, hence the paint room had often to be removed, entirely divorced from the rest of the plant, and goods which up to that point of production had been assembled and sometimes completely manufactured in a matter of minutes, then ran into a long pause. They might be several days in the paint rooms, which had to be constantly protected against dust or extreme heat, cold and light.

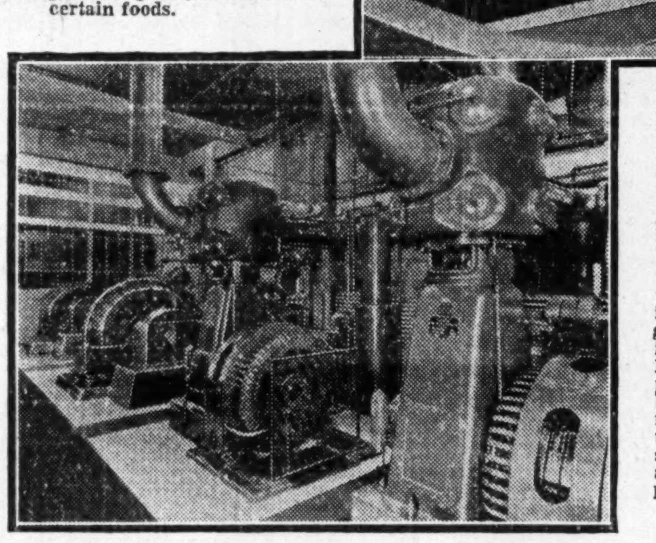
Spray guns using almost instantly drying enamel finisher completely eliminated the special paint room and the paint room delay. The bright greens, reds, yellows and other colors went on just as fast as some mechanical part in the rest of the assembly line and again like the new rustless steel, the process of manufacturing was not only hastened but the finished results were infinitely more superior in durability.

But the introduction of all these new devices and new materials entailed constant changes. From the factory's own private laboratory or the joint laboratories of the industry are coming a continual stream of new designs, new processes and new models which are incorporated without delay in the actual operations.

* * *

Outer walls of glass brick and complete air-conditioning ensure maximum working comfort in this manufacturing plant and incidentally the highest possible efficiency. It is significant that the picture was taken with an ordinary press camera without the aid of artificial light. Glass brick outer walls and partitions are coming into increasing use where intricate manufacturing operations are carried on and also, because of their perfect insulation, where control of humidity is essential as in processing silk, tobacco and certain foods.





Because of their adaptability to the assembly line type of manufacture and flexibility in regard to extensions and interior changes, one floor factories have become increasingly popular in the last decade. New types of horizontal conveyors and special loading platforms replace the gravity chutes and ramps in multiple story plants. In the factory above ample side windows have been supplemented by monitors in the roof. At the left is shown a clean, safe, efficient and almost automatic factory power plant installation.

Older Factories Obsolete

CHANGE, however, has not been confined by any means to machines and processes. Factory buildings are changing also.

In pre-war days there was but one design for the average structure of this kind, no matter what type of goods were manufactured. This design featured a rather gloomy four or five story affair, with small, dirty windows and plenty of dust and smoke, when times were good. Inside it was still dirtier, still darker and still noisier. Men worked in bunched groups with much overlapping and loss of time necessitated by running to and fro for tools and parts. In its worst form, these sort of conditions only prevail today in those rare cases where excessive costs and poor working conditions are considered of no account.

But there are still literally thousands of obsolete factories in Canada at the present time, factories unsuited to the line of goods turned out, factories poorly lighted and ventilated, where a man cannot hope to work at maximum efficiency.

According to authorities on factory construction, rigid plants erected prior to 10 years ago cannot hope to compete with those built since, and the average age of all industrial structures in Canada must be at least 35 years. In other words the great majority of Canadian factories are obsolete.

* * *

Designed for Special Purposes

MANY of these are still attempting to operate on several floors, when the line of goods manufactured lends itself to one floor production. Special carrier equipment and loading platforms now permit one floor production with its better light, better ventilation and better supervision. True more land is required and thus in order to escape the higher taxes of the ordinary congested urban industrial areas it may be necessary to move to the lower-priced areas elsewhere, but with improved methods of transportation such a move may be one in the right direction.

New systems of heating and ventilating and artificial lighting have been devised to meet the new requirements of these one-floor factories which in some instances run close to a mile in length. Any higher tax or other costs of the one-floor plant may be largely offset by the ease in which these buildings can be extended or remodelled and in the saving in initial foundation and wall construction costs due to the fact that all operations are confined to one solid floor.

But all manufacturing may not be adapted to one-floor production. There are still many powerful reasons why certain factories must be located in high-priced land districts. There are light products, too, which are more cheaply produced in a multiple floor plant, where gravity conveyances may prove most efficient.

* * *

Air Conditioning—Lighting

WHILE all modern factories are more or less specialized affairs designed to meet the requirements of the particular goods manufactured some of these goods are more specific in their requirements than others. Air-conditioning may enter the picture as where products are produced such as tobacco, paper and foods. These are especially susceptible to moisture, temperature or light. Here insulation may be vital.

In some recent installations glass bricks, which are perfectly insulated but at the same time 80% transparent, have a preferred position. The same glass bricks may be used almost entirely for outside walls and partitions where intricate manufacturing requires much natural light. In such plants, new structural steel has been recently designed in solid specially shaped beams giving ample roof strength without the interlacing overhead tie beams which block light and collect dust and might render difficult the maintenance of high sanitary standards in processing perishable food products.

But to go on would only complicate with endless detail the main point that modern factory construction is no longer nor can be a standardized affair.

Like the product to be manufactured, building and equipment must be planned in advance to the smallest detail, yet at the same time the whole plant be flexible enough to permit future expansion and the constant incorporation of new machines and new processes. This is a large order, admittedly, but the only one which can assure progress.

Modernization is a major factor in the forward march of Canadian business. The following firms and institutions have made possible this constructive series of articles to indicate in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canada:

THE T. EATON COMPANY LIMITED
"It pays to shop at Eaton's"

INTERNATIONAL FIBRE BOARD LIMITED
Montreal . Ottawa Toronto
Ten-Test Insulating Wall Board
Insulates, Decorates, Quiets Noise

MASSEY-HARRIS CO. LTD.
"Builders of Good Farm Implements"

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Advertising Agents
Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver
"Gibbons knows Canada"

NATIONAL CASH REGISTER COMPANY OF CANADA LIMITED
National Cash Registers, Accounting Machines, Check-writing and Signing Machines and Correct Posture Chairs.

NATIONAL STEEL CAR CORPORATION LIMITED
Hamilton — Montreal
"Specialists in Transportation Equipment"

THE ROBERT SIMPSON COMPANY LIMITED
"You'll enjoy shopping at Simpson's"

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Modern Power Transmission Machinery
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CANADIAN INGERSOLL-RAND COMPANY LIMITED
"Compressed Air Tools, Appliances and Processes lower costs and increase production."
Air Compressors—Pneumatic Tools—Vacuum Pumps—Centrifugal Pumps—Air Hoists.

CANADIAN AIRWAYS LIMITED
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Air bases throughout Canada

CANADIAN INDUSTRIES LIMITED
"Cellophane" Division
"Cellophane" the modern packaging medium

Construction Outlook (No. 2)

Backlog of Factory Building Estimated at $125 Millions

Time Is Ripe for Big Expansion in Industrial Construction

NO SPURT SINCE 1926

By GORDON L. SMITH

Statistically, to borrow a wheat market expression, the factory situation in Canada from the standpoint of construction, is in a firm position. If there is anything in the theory of averages, then this country is lamentably behind in the building of new manufacturing plants. A backlog of over $125 millions is apparent from a study of construction figures as published by MacLean Building Reports over the last 12 years.

Far Below Average

During this period, actual factory construction has varied from a high of almost $80 millions to a miserable $7.8 millions in the depression year of 1932. But the annual average works out at not much below $32 millions. Between 1925 and 1930 such annual building of new industrial plants would have been ridiculed. As a matter of fact the average for those six healthy years was something around $52 millions.

Down $39 Millions

In the slump years following and including the sharp pick-up in 1935 and 1936, however, the six-year average was not quite $11 millions. If $52 millions was too high an average to expect permanently in the years preceding and including the boom, certainly $11 millions in the cycle following was far too low. It would seem reasonable to expect something between the two and the $32 millions average for the whole period does not seem to be high. In any case one might conclude safely that with a continuance or even the mere maintenance of the present stage of recovery, factory building in Canada will show very substantial gains in the next few years. In tabular form the present situation is as follows:

FACTORY BUILDING
(MacLean Building Reports)

1925	$40,007,000
1926	79,690,000
1927	39,989,000
1928	63,300,000
1929	62,968,000
1930	31,520,000
1931	14,816,000
1932	7,820,000
1933	9,102,000
1934	8,037,000
1935	10,292,000
1936	14,973,000
Total 12 years	382,514,000
Annual average	31,876,000
6 years at average	191,256,000
Actual total 1931-36	65,040,000
Theoretical backlog	126,216,000

So much for the figures; now let us look at prospects from another angle.

At the recent convention of the Canadian Construction Association in Ottawa the writer asked officials of leading steel companies about their current business. Without exception they stated that this was the best in over five years. Notwithstanding the December price increase which followed a similar upward revision in United States, demand was reported as gaining steadily. And in almost every instance it was orders from private not government sources which were responsible for this healthier volume.

Some of the big plants already reported sufficient booking to keep mills operating at normal capacity right through the winter.

When the steel plants start to get busy, it means that the average run of manufacturing companies are already hard at work and this in turn should pave the way for factory building.

The average age of all industrial plants in Canada has been estimated at close to 35 years. Many of the present buildings date back to the '80's and '90's. Most of them were built before the war. The efficiency of such plants must be far below those erected and equipped in the last decade. Many were designed to turn out goods which, as originally fabricated, are practically obsolete today.

With even a normal resumption of general business and the almost inevitable wage increase which will follow such a resumption, costs of production are going to come strongly into the picture. To reduce costs, new equipment and new factory buildings will be vital. Something in the nature of a boom in this development may be quite possible.

No Real Spurt for Years

There has been no real spurt in factory building for many years. While business and engineering construction were both rising to sharp peaks in 1929 and 1930 and even residential building was climbing, that devoted to the construction of new industrial plants was considerably lower than in 1926. There was a boom in this kind of building during the latter part of the war years and apparently these war plants were still sufficiently new and efficient to handle the increased demand for manufactured products which took place during the 1926-30 period of good times. But it seems extremely doubtful whether these now old-fashioned structures will be able to meet the demand when Canadian merchants really decide to build up new inventories again.

Replacement Commenced

In the more competitive lines, such as food products, packaged food products, tobacco, newer textiles and household equipment, replacement of older factories has already commenced. In addition to a considerable number of brand new plants erected in the last year, there have been hundreds of additions and remodelling jobs. Even some of the depressed industries such as those producing newsprint and other paper have been forced to erect new plants recently.

A New Field

Another field hardly touched yet but getting ripe for expansion, lies in the completion of industrial mergers which took place during the last boom period. At that time many companies among the packing, baking, milling and metalware industries joined forces. Financially and from the sales force standpoint the merger was complete but in manufacturing operations usually the old individual and scattered plants carried on.

Undoubtedly when planning the mergers originally the principals had in mind a good deal of replacement of producing plants and equipment. Here again there are already indications that such programmes have already started.

During the depression there were mergers, too. But unlike those of 1926-1930, which might be compared to a marriage among equals, these were more in the nature of adoptions of unfortunates by more affluent relations. In other cases it was merely a banding together of equally embarrassed individuals in order to survive. Out of these new alignments, however, must also grow a demand for new productive equipment.

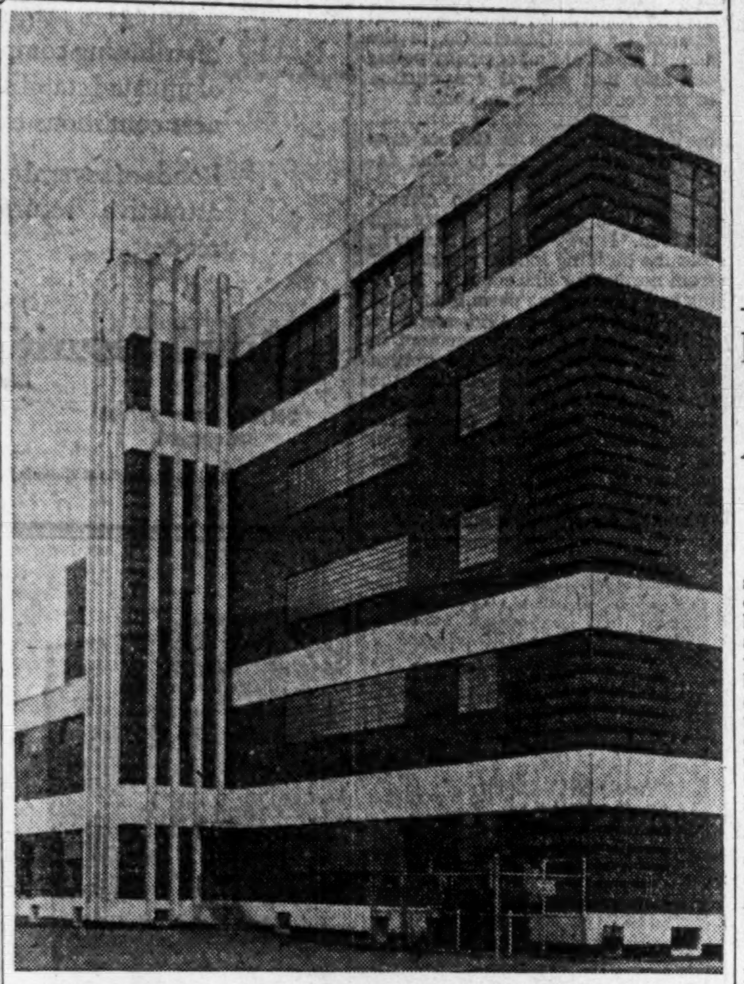
New Profits Available

An analysis of the 1935 and 1936 annual reports of Canadian industrial companies would reveal that probably four or five enjoyed a gain in operating profits last year. Moreover this almost invariably followed substantial improvement in 1935 over 1934. First use of these increased earnings would go into rebuilding of working capital if such a step was considered necessary. Then would come the paying off of any arrears, if any, in preferred stock. The third step, provided improvement was maintained, would be plans for plant replacement.

In some cases steps one and two have already been taken. In a few instances the new plants are already being built or at least plans have been approved.

This totally new construction contemplated has nothing to do with the continual routine work which must go on in every moderately busy factory. In constant war against obsolescence and depreciation, there must be almost continual alteration, the replacement and repair of equipment. Eventually, however, even this continual improvement loses the battle against obsolescence and a major operation in the form of complete plant replacement is inevitable. It is these major operations which present indications point to as imminent, that spell real profits to companies interested in industrial construction.

Editor's Note—Business building prospects were summarized in a previous article while the outlook for residential and engineering types of construction will be dealt with in subsequent issues of The Financial Post.



EFFICIENT AND ARTISTIC

This modern multiple-story factory proves that even the most practical of industrial plants may be made to fit in with surroundings of a high architectural standard. Brick and reinforced concrete are attractively blended. Glass brick is used extensively on the first four floors with orthodox windows on the top floor.

COOL, REFRESHING WATER for as little as... 2¢ A DAY

New FRIGIDAIRE WATER COOLER

25¢ A DAY BUYS IT
as little as 2¢ a day runs it!

YOU can enjoy all the advantages of this remarkable new cooler—pay for it and run it—at a cost that is little more than you now pay for ice alone. 25c a day buys it ... as little as 2c a day runs it. Cool, sparkling water ... always conveniently near ... always just the right temperature for palatability and health.

This new Frigidaire Water Cooler offers sensational features of efficiency and economy never before available at such a low price. Unusual sanitary provisions, easy cleaning, fast cooling, Cold Control for temperature regulation, "Freon-114" the safe refrigerant, the famous Meter-Miser cold-making unit, and scores of other outstanding advantages.

Handsome design, bronze Duco finish. Harmonizes with all types of office furnishings. Available for either bottled water or city pressure connection and quickly convertible from one to the other, if desired.

● *Ask your local Frigidaire man about this new Frigidaire Water Cooler or write for descriptive booklet on the complete Frigidaire line. Frigidaire Division, General Motors Sales Corporation, 35 Fraser Ave., Toronto, Ontario.*

FRIGIDAIRE MADE ONLY BY GENERAL MOTORS

Property Owners To Appeal Taxes

Property owners of the province are planning a united front on an appeal to the Ontario Government against the burden of real estate taxation.

At a convention to be held in Toronto Jan. 26 interested groups throughout the province will be banded together in a new organization to be known as the Ontario Property Owners' Association.

The Association will prepare its case for relief of taxation on the grounds that the present system is economically unsound, destructive and long out-dated. Real estate, it is claimed, has for years been carrying unfair share of the tax load.

Equipment Orders Come This Week

Awards Covering Millions To Be Placed for Railways

From Our Own Correspondent

MONTREAL.—Contracts covering several million dollars of railway equipment will be placed this week by the Canadian National and Canadian Pacific Railways, according to reliable reports. A short while back the two lines called for tenders on equipment and following the usual custom it is expected that orders will be placed with Canadian Car and Foundry Co., National Steel Car, Eastern Car and other companies.

This work is being undertaken by the two lines with the financial assistance of the Dominion Government. In all it is expected that about $40 millions will be spent over the next 12 months. For the time being orders will be on a smaller scale, amounting to about $23 millions, of which some $18 millions will be spent by the Canadian National and $5 millions by the Canadian Pacific.

Want Freight Cars

Toward the end of last month the C.N.R. called for tenders on new equipment, consisting largely of freight and passenger cars, with some air-conditioned equipment, but no locomotives. The C.P.R. is said to be mainly interested in purchasing box cars.

The placing of this business will give the car companies sufficient work to keep their plants operating until well into the late spring or early summer, by which time the railways may be ready to place additional orders.

Refrigeration Plays Big Part

Jobs Range from Water Cooler to Stopping Landslides

Excavators on the Grand Coulee Dam project in Montana this winter were suddenly faced with a landslide. This threatened to halt further work as well as interfere with progress already made.

Commercial refrigeration was called in. Miles of pipes were inserted in the loosening mud and the cold turned on. In a comparatively short time the whole mass of clay was solidified with frost and kept in that condition until the regular reinforcing side walls of concrete were in place and matured.

And while this feat may provide an extreme example of what industry may ask of commercial refrigeration, it is only one of a hundred other uses. One of the most valuable, though lacking the glamor of checking landslides, is that provided by the ordinary water cooler. This modern descendant of the old time water boy with his insanitary dipper is now a considered essential equipment in every modern factory.

Chandler Mill Made Free Agent

Quebec Will Give Right to Expropriate if Pulp Unit Operated

MONTREAL.—The Chandler pulp mill in the Gaspé Peninsula will be reopened as soon as the Quebec Government finds a company able to provide guarantees of operation, according to an announcement made by Lands and Forests Minister Drouin, following cancellation of the Maritime Operating Co. concession.

Back in 1934 Canadian Celanese Co. purchased the Chandler property at public auction for a price reported at $90,000. A subsidiary company, known as the Maritime Operating Co., was formed to operate the property. Concessions were granted by the Provincial Government and the conditions under the arrangement were to have been met by Nov. 1, 1935. At the conclusion of this time, the late Government granted an extension. However, the conditions were not fulfilled and the Government has cancelled the agreement. The property is now available for expropriation by the company which will guarantee continued operations.

Striking Gain By Chevrolet

Eastern Canada Registrations Rise 38% in 1936

New passenger car sales in Eastern Canada rose 16% in 1936 according to a month-by-month check of registrations prepared for Canadian Automotive Trade. The year's total was 71,917 cars compared with 62,037 in 1935.

Analysis of sales according to leading makes shows the most spectacular feature of the year was the sharp gain in Chevrolet sales which rose from 13,000 in 1935 to 18,000 in 1936. Other cars to show improvement were Plymouth, Dodge, Terraplane, Chrysler, Buick, Studebaker and Packard.

Comparative figures follow:

New Passenger Car Registrations in Eastern Canada
(a) By Leading Makes

	1936	1935	1934
Chevrolet	18,044	13,026	12,602
Ford	14,995	17,557	11,089
Dodge	8,808	6,441	4,947
Plymouth	8,378	6,662	5,091
Oldsmobile	4,233	4,649	2,400
Buick	2,829	1,358	1,954
Pontiac	2,789	3,901	1,932
Chrysler	2,211	1,578	1,430
Terraplane	2,007	1,827	1,526
Packard	1,476	659	115
Studebaker	1,330	893	893

(b) By Provinces

	1936	1935	1934
Ontario	48,023	42,768	32,062
Quebec	16,296	13,061	9,855
Prince Edward I.	561	332	298
New Brunswick	2,765	2,274	1,612
Nova Scotia	4,272	3,602	3,067
	71,917	62,037	46,894

December Sales

December sales show a substantial improvement for practically all makes of cars compared with the corresponding month last year. Chevrolet, for example, more than doubled its sales in Eastern Canada as also did Dodge, Plymouth, Oldsmobile, Buick.

Even more striking gains were made by Pontiac, Packard and Chrysler.

Comparative figures follow:

December Passenger Car Registrations
(In Eastern Canada)

	Dec., 1936	Dec., 1935	Year to date 1936	Year to date 1935
Chevrolet	1,532	672	18,044	13,026
Ford	1,267	897	14,995	17,557
Dodge	887	422	8,808	6,441
Plymouth	855	343	8,378	6,662
Pontiac	417	118	2,789	3,901
Oldsmobile	332	192	4,233	4,649
McL.-Buick	292	141	2,829	1,358
Chrysler	186	76	2,211	1,578
Terraplane	164	134	2,007	1,827
Packard	119	42	1,476	659

Both Heat and Humidity Automatically Controlled

Much has been heard of air-conditioning and modern heating in the last few years but little of the automatic devices which bring this man made weather under control. In industrial fields such devices are of vital importance, because not only is there a human element to be considered but also the effect on the goods being manufactured.

In textile, tobacco, paper and certain food plants, manufacturing plants, for instance, it is important that heat and humidity be under absolute control. Threads will become brittle and snap causing delay and damage, tobacco or food will become too moist or too dry, paper may wrinkle and crack.

Even before modern air-conditioning, manufacturers of such products made crude attempts to provide the right kind of atmospheric conditions.

Automatic heat controls are more familiar because these have long been commonplace in the more modern homes and office buildings. In industrial plants where the office is only an adjunct to the factory, however, the introduction has not been so widespread. As a result temperature in both factory and office ofen runs above the prescribed 62-65 degrees in one case, and 70 in the other.

For some unknown reason those responsible seem to figure that because the heating steam comes from their own power plant there is no cost. But overheated offices and factories are not conducive to proper working conditions and steam, no matter how cheaply generated, costs money. Cheap automatic heat controls offer a low cost solution.

Start '37 Right!

Don't let obsolete equipment retard the tempo of *your* 1937 business year. Inefficiency pays no dividends.

Standardize on Reliable Products.

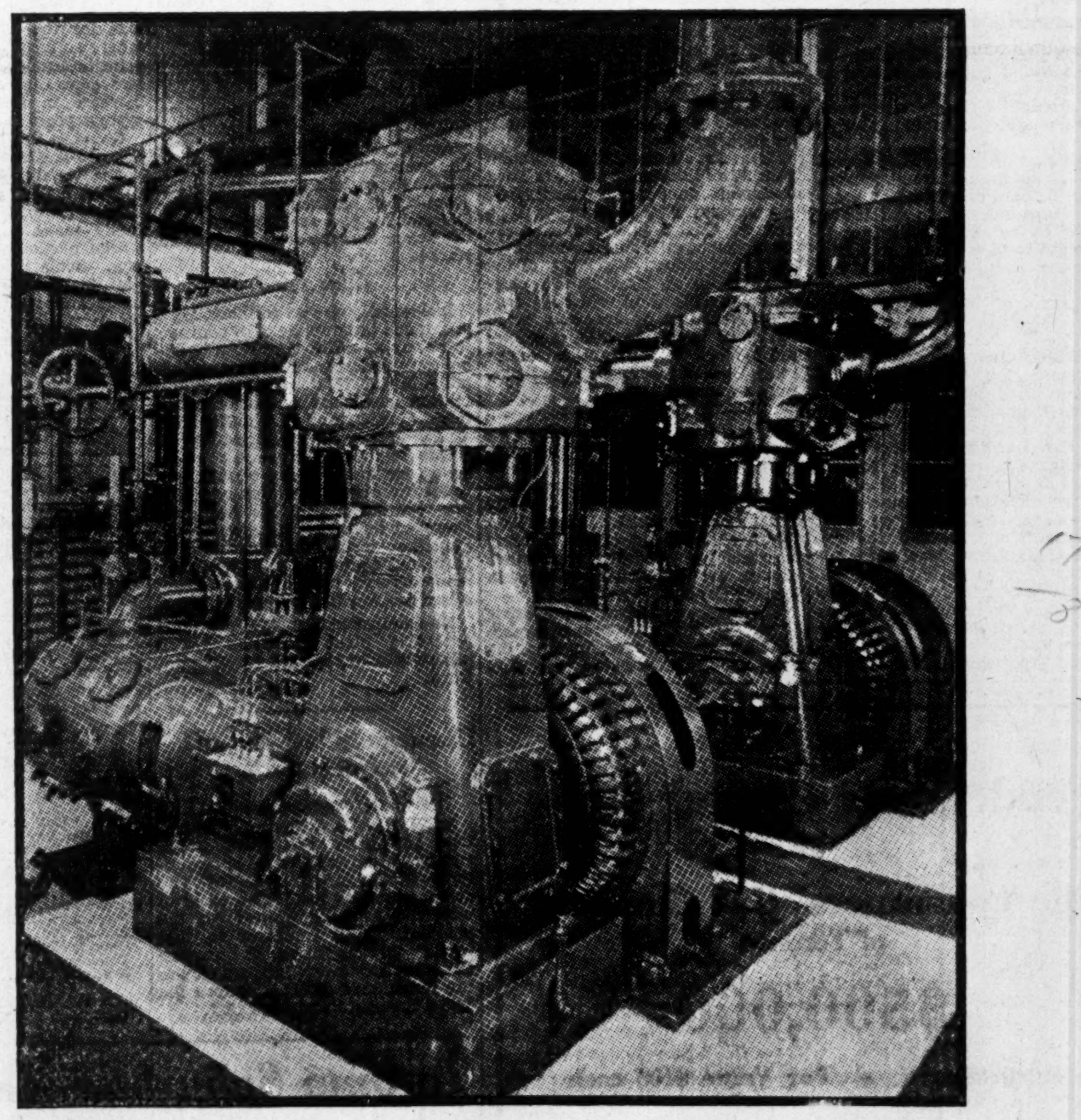
OFFICE SPECIALTY MFG. CO.
NEWMARKET, CANADA

PLANT DOLLARS PAY WHILE BANK DOLLARS SLEEP

The judicious installation of Brown Instruments and Minneapolis-Honeywell controls will detect and control plant losses in fuel consumption, steam waste, etc. There are Brown Instruments keeping a daily check on production in such widely varied industries as textiles, oil, gas, steel, sugar, ceramics, chemicals, etc., throughout the civilized world. For most efficient results include Brown Instruments and Minneapolis-Honeywell controls in your modernization program. Minneapolis-Honeywell Regulator Co. Limited, 117 Peter St., Toronto. Branches: Montreal, Winnipeg, Calgary. In England, Honeywell-Brown Limited, London.

MINNEAPOLIS-HONEYWELL
Control Systems
BROWN INSTRUMENTS FOR INDICATING, CONTROLLING, REGULATING
Minneapolis-Honeywell Regulator Co. Ltd., Toronto, Ont.

Lower Your Costs and Increase Production — with COMPRESSED AIR



In many plants where high mechanical standards prevail, the performance of "XVH" Compressors has resulted in repeat orders. Above are two 980-cubic-foot units installed a year apart in a large Ontario automotive plant.

COMPRESSED AIR plays a very important part in increasing production and lowering manufacturing costs in many industries.

For the compression of air at lowest cost per cubic foot, Canadian Ingersoll-Rand has developed the XVH Compressor. It is the result of sixty-five years of research and experience in compressor design. Its many advanced features make it the outstanding compressor of today.

Canadian Ingersoll-Rand engineers will gladly consult with you regarding the advantages of compressed air in your plant.

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37-J-3

Gair Co. Inc. Offers to Buy Four Plants

Lower Offer Made for Plants of Can. Paperboard Ltd.

PRICE $575,000

Robert Gair Co. Inc., of New York, parent company of the Gair Co. Canada Ltd., has made an offer to Canadian Paperboard Ltd. to purchase the plants of its four subsidiaries for a consideration of $575,000. A meeting of the shareholders of Canadian Paperboard is being held Jan. 22 to consider the offer.

The purchase price is payable as follows: $25,000 in cash; the balance by the issue and delivery of $550,000 par value of 40-year 6% income notes of Robert Gair Co. Inc., of which Canadian Paperboard (Toronto) Ltd. will receive $275,000, Canadian Paperboard (Montreal) Ltd. $235,000, Canadian Paperboard (Frankford) Ltd. $25,000 and Canadian Paperboard (Campbellford) Ltd. $15,000.

The present offer is $175,000 lower than the price set out in the lease which expires March 31, 1937, and which includes options to purchase exercisable on or before Jan. 31, 1937, at the following prices: Toronto property, $350,000; Montreal property, $300,000; Frankford property, $65,000; Campbellford property, $35,000.

Option Prices Too High

Previous to making the present offer, the Gair interests, according to a letter to shareholders of Canadian Paperboard, had intimated that the option prices were not satisfactory, and that the option would not be exercised unless substantial reductions were made. Reasons given for the decision of the Gair Co. Canada Ltd. are conditions in the industry and the heavy expense necessary to modernize the various plants.

Under the terms of the new offer, the subsidiaries are to be dissolved, so that Canadian Paperboard Ltd. will come into possession of all considerations, which will be available for distribution to preference shareholders, after payment of liabilities and expenses.

"The aggregate considerations obviously will not leave any moneys available for distribution to common shareholders," the letter states.

Total preference share capital of the company amounts to $1,570,800. As at Dec. 31, 1935, current liabilities were $39,138 in excess of current assets. In addition, there were deferred liabilities of $49,476. The distribution to preference shareholders, therefore, will probably be equivalent to $30 for each $100 par value share held.

Members Praise Work of B.B.B.

Toronto Better Business Bureau Enlarges Directorate

Endorsation of the efforts of the Toronto Better Business Bureau to stamp out commercial, financial and stock promotion frauds was given by members at the annual meeting this week.

Significant of the growing appreciation of the need of fraud prevention in Toronto and adjacent areas was the unanimous endorsation of a proposal to increase the directorate from eight to 15 members, retaining all former members. Officers and directors elected for 1937 were:

Chairman of the board, Byron Haddy, Canadian General Electric Co.; vice-chairman, M. T. Ellis, Birks-Ellis-Ryrie, Ltd.; secretary, P. G. Cherry, Might Directories Ltd.; treasurer, G. M. Mulholland, F.C.A., Thorne, Mulholland, Howson and McPherson; directors, J. H. Allemang, City Dairy Co.; George Brigden, Brigden's Ltd.; Frank Coryell, Adams Furniture Co.; W. A. Findley, Canadian Bank of Commerce; P. K. Heywood, Evangeline Shops Ltd.; W. B. Macdonald, A. E. Ames and Co.; J. A. MacLaren, MacLaren Advertising Agency; G. W. Nicholson, G. W. Nicholson and Co.; W. M. Philpott, Liberty Publishing Co. of Canada Ltd.; A. G. Pinard, The Lowe Brothers Co. Ltd.; J. L. Seitz, Underwood-Elliott-Fisher Ltd.

Tenders for Capital Stock
of
The Consumers' Gas Company
of Toronto

$500,000

5,000 Shares - Par Value $100 each

Sealed tenders, addressed to the Consumers' Gas Company of Toronto, 19 Toronto Street, Toronto, Ont., and marked "Tender for Capital Stock", will be received by the Consumers' Gas Company of Toronto until 12 o'clock noon of the 4th day of February, 1937, for the purchase, in lots of any desired number of shares, of Five Thousand (5,000) shares of the unissued capital stock of the said Company (each share having a par value of $100.00), subject to certain conditions and terms of sale, the particulars of which, together with the form of tender to be used, may be had on application at the office of the Company at the above address.

Dated at Toronto, this 4th day of January, 1937.

By order of the Board of Directors.

EDWARD J. TUCKER,
General Manager.

WHERE GREATEST PRECISION IS VITAL

In this experimental laboratory attached to a modern factory the most minute precision is imperative as measurements to a thousandth part of an inch are routine. Here new machines are developed, models set up and original molds cut. Light being of prime importance, both exterior and interior walls are of the new glass blocks.

Motor Manufacturers To Spend $8 Millions

Plant Renovation Planned in 1937 Almost Treble 1936 Expenditure — Big Expansion Programmes by Ford and General Motors

Factory modernization and equipment plans in Canadian automobile factories during 1937 call for an expenditure of approximately $8,150,000 according to figures prepared this week by J. L. Stewart, general manager of the Canadian Automobile Chamber of Commerce. This compares with a corresponding expenditure of over $3 millions in 1936.

Concerns Direct Items

"This survey covers only Canadian plants actually producing automobiles," Mr. Stewart explained, "and does not take into account the similar distribution of large sums for labor, construction materials and equipment by the numerous additional factories which supply the Dominion's automotive industries with parts and materials that go directly into the cars themselves. But building and equipment projects of this kind in automotive plants stimulate similar work in these other industrial units linked with them, and the widening circle soon extends back to such primary producers as, for instance, the lumber industry."

Major item in the 1937 programme is the $5 millions programme of Ford of Canada announced recently. Of this amount $2.5 millions will be spent to erect a new body and assembly plant at Windsor which will bring the productive capacity of the company to at least 100,000 units annually. This plant will be a one-story structure of concrete, brick and steel. It will be 1,000 feet long and 570 feet wide. It will introduce a new type of roof to give the maximum amount of light.

Machinery and Equipment

In addition to this expenditure on the plant the company will also spend $1.4 million in 1937 for new machinery and $1 million for equipment in the new plant. It will make a further expenditure of about $300,000 in enlargement of the existing main plant at Windsor and a further sum in erecting new properties in western Canada.

The western programme consists of $400,000 for a new branch assembly plant at Vancouver to serve the company's B. C. territory and $50,000 for a new branch warehouse at Regina. The Vancouver property will be midway between Vancouver and Westminster and will have a capacity of 30 cars daily. The new Regina addition will adjoin the existing sales and service building in that city.

General Motors Plans

General Motors Corp of Canada is also due to spend at least another million in 1937 to complete and extend a plant modernization programme begun in 1936. This money will be spent largely at the company's St. Catharines plant where a new casting and foundry building will be erected to link the forge shop and other new buildings undertaken in 1936.

The General Motors programme when complete will have involved a total expenditure of something like $3 millions. This sum represents new buildings, factory rearrangement and modernization at Oshawa, Walkerville, and at the McKinnon Industries plant in St. Catharines.

At Windsor, the company's plant this year is building the Pontiac engine, as well as Chevrolet and the assembly of McLaughlin-Buick and Oldsmobile, and for the first time has begun to make crankshafts from start to finish.

Other Plans

Incidentally the $5 millions Ford of Canada programme is in addition to nearly $3 millions of new building and modernization work undertaken in 1936. Of this total about $1.7 million was spent on power house modernization and $1.1 million for a new electric furnace building.

One important feature in the new set-up for manufacture of 1937 cars is the increasing Canadian and Empire content which has been encouraged by recent changes in the Canadian tariff. This means that parts and equipment not previously manufactured here are now being added to Canadian output.

No detailed report is yet available regarding plant extension which might be contemplated by Chrysler Corp.

Canadian Industries Ltd. Is Not Building Plant

From Our Own Correspondent

MONTREAL.—Canadian Industries Ltd. deny that it has under contemplation erection of an explosives plant at St. Timothée, P.Q. The company's name has been associated with the rumored project for the manufacture of explosive in that locality through the use of the name Canadian Explosives Ltd., which was the forerunner of C.I.L. before the latter changed its name in 1927.

Hydro Loads At New Peak

1,061,528 h.p. Is Used by Niagara System at December Peak

A new record peak load was established in December for primary power in the Niagara system of the Hydro-Electric Power Commission of Ontario. The increase of 7.4% over the peak load for the 1935 month amounted to 72,788 h.p. and the peak for this major system was 1,061,528 h.p. This compares with a November peak of 1,052,279 h.p.

The heaviest power load each year invariably occurs in December, the darkest of winter months. Consequently the load figures just released by the Hydro establish the maximum power needs of the Hydro for 1936 and the best clue to maximum requirements in 1937.

All Systems Gain

All systems of the Hydro showed gains in primary power loads for December. Largest proportionate gain was for the Thunder Bay system where activity in mining and newsprint industries has increased. Similar causes account for the sharp increase in the Northern Ontario system peak.

Gains in the loads in the Eastern Ontario and Niagara systems are of particular significance in relation to the cancelled power contracts of Quebec companies which were originally made to supply these networks, particularly the Niagara system. Some private engineers suggest that sharp increases in these loads indicate that the Hydro will be short of power in a few years unless new agreements are made.

Smaller gains are shown in the coinciding peak loads of primary and secondary power in the various systems. In the Niagara system there was a reduction, due largely to elimination of some secondary power sales after cancellation of the Quebec contracts. The secondary power load represents mostly wholesale energy distributed at low rates in periods when the primary load is off its peak. Some of this secondary power is in use at the same time as primary power, resulting in a coincident peak above that for primary load alone. Secondary power represents interruptible load and is therefore not as important as the primary load in calculating the minimum supplies of power that the Hydro must hold available to its customers.

Ontario Hydro December Peak Loads
(Maximum 20-Minute Peak Horsepower)

Systems	Dec., 1936	Dec., 1935	Incr. %
Primary Load:			
Niagara	1,061,528	988,740	7.4
Eastern Ont.	119,705	107,185	11.7
Georgian Bay	28,512	27,466	3.8
Thunder Bay	80,858	65,181	24.1
Northern Ont.	100,277	81,033	23.7
Total	1,390,880	1,269,605	9.6
Primary and Secondary Loads:			
Niagara	1,111,930	1,136,729	*2.2
Eastern Ont.	125,999	124,873	.9
Georgian Bay	28,512	27,466	3.8
Thunder Bay	143,432	125,201	14.6
Northern Ont.	184,057	162,066	13.6
Total	1,593,930	1,576,335	1.1

*Decrease.

Many New Plants For Vancouver

Sixty Factories Added in 1936 and More Coming

At least 60 new manufacturing plants, some of considerable size but a majority making a comparatively small beginning, started production in greater Vancouver during 1936, it is stated by R. H. Arnott, industrial secretary of Vancouver Board of Trade.

In addition, at least 60 established plants, large and small, carried out expansion programmes, adding to equipment and output. On such expansions total expenditure for the year is estimated close to $750,000.

Early in the current year Vancouver is expecting that Ford of Canada, B. C. Pulp and Paper, and Canada Packers will each make large plant expenditures.

Toronto Suburban Areas Anticipate Building Boom

With total construction in 1936 the best since 1931 and within striking distance of what might be considered average, building observers in the suburban districts around Toronto are confident that the current year may set up a new all-time record. In practically every type of construction but especially industrial, engineering and residential there are already indications of very large development.

In York Township building advanced from a low of $357,890, in 1933, to $2,002,850. York set its highest mark in 1929, when permits to the value of $7,714,900 were issued.

North York reported 1936 as the best building year in its history, with a total permit value of $1,063,000. In the village of Swansea, building values in 1936 were almost double those of 1935.

Similarly 1936 marked a new high in Weston. While the 1936 figure for Scarborough Township remained at practically the same level as 1935, observers are confident that 1937 will show a striking improvement. An increase of 165% over 1935 was reported in the Town of Leaside, where the total reached $1,127,240 last year.

East York enjoyed its best building year since 1931, with a total of $1,131,748, compared with $247,436 in 1935. So far no official move has been made in connection with the proposed $2,500,000 building scheme said to be backed by British interests. Introduced late last year, it was left over for consideration by the 1937 Council.

Quebec Power Reduces Board

From Our Own Correspondent

MONTREAL. — Shareholders of Quebec Power Co., at a special meeting, adopted a resolution amending the by-law governing the number of company's directors. The meeting agreed to reduce the number of directors from 17 to 14.

Saskatoon Building Up

Building permits during the first 11 months of last year amounted in value to $223,355, as against $144,650 in the January-November period of 1935.

Says Building Below Normal

Agreeing with the recently expressed opinion of The Financial Post that the increased proportion of private building in Canada is a healthy sign, J. D. Johnson, president of Canada Cement Co. in the annual report of that company points out also that general construction in this country still lags behind.

"The general improvement in business conditions in Canada during 1936 was reflected to some degree in the building industry, resulting in an increase in cement consumption over 1935," states Mr. Johnson. "It may be stated, however, that the building industry is still far from normal for this country. Building and engineering permits for 1936 were only 43½% of 1926, and 28% of 1929. There is encouragement in the fact that a perceptible upturn took place in private building, the first real sign of a revival in private construction since the commencement of the depression. Canada still lags far behind nearly every other country in the world in building activity, but a gradual improvement is looked for in this connection."

"Power" Securities

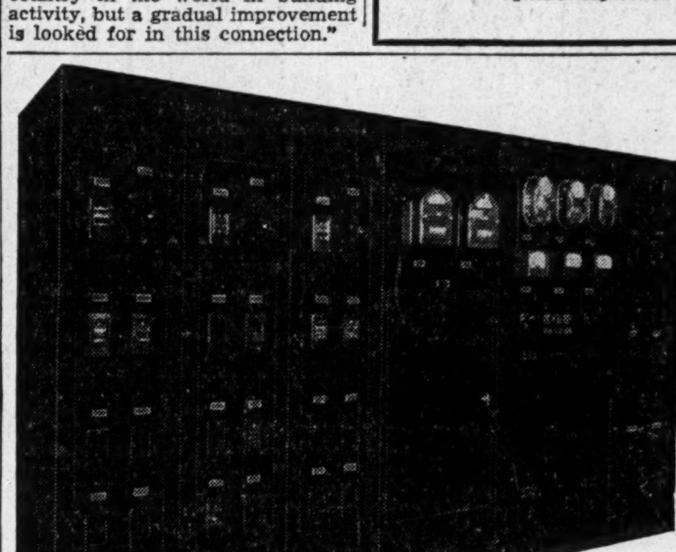
Earnings of leading Light and Power distributing companies have a record of unusual stability. Improving business conditions enhance the outlook.

Bonds of several such companies offer attractive returns. Offerings on request.

Royal Securities Corporation
Limited

244 St. James Street, Montreal — 330 Bay Street, Toronto 2

Offices throughout Canada; also in New York and London



Look for this symbol of satisfaction on all Electrical Equipment.

A-E CORP'N LTD.

PLAN WITH Foresight

When you modernize your plant or building, look ahead. It is more efficient and less expensive to allow for future growth, than to add "make shift" extensions to your electrical equipment as the need arises.

An example of **planned** modernization is the new Amalgamated Nofuz switchboard installation (illustrated above) in the Bell Telephone Building at Ottawa. The compact construction and operating ease save space and time in the modern manner. The dead front, totally enclosed construction meets every modern demand for safety and efficiency. This Amalgamated Nofuz switchboard controls the present power and light load for the entire building — with ample provision for future requirements. Installation and operating costs are low. Amalgamated Electric panelboards and switchboards are available in all sizes and capacities.

Amalgamated Electric Engineering Department will gladly assist you, without obligation, in **planning with foresight.** Telephone or write our nearest office for immediate, expert attention.

AMALGAMATED ELECTRIC CORPORATION LIMITED
TORONTO - MONTREAL

Daylight robbery!

Save-lite stopped it!

. . . A CASE HISTORY FOR PLANT EXECUTIVES

Sightmeter readings taken in the above plant before repainting showed that illumination was very low despite adequate windows.

The "after" photograph shows the effect achieved with but one coat of Sherwin-Williams Save-Lite. Sightmeter readings taken under identical conditions showed 100% increase in light over the entire working plane, after repainting all walls and ceilings.

SAVE-LITE ensures the most complete distribution of all available day and artificial light. It means fewer cases of eye strain and nervous fatigue, fewer accidents, greater operating efficiency and lowered unit costs.

SAVE-LITE yields these money-saving advantages for years. Special selection, refining and treatment of oils and driers has achieved an absolute minimum of after-yellowing, with no greying or greening.

SAVE-LITE has improved light conditions and reduced lighting costs in plants and offices all over the country. Write for full information.

THE SIGHTMETER

Our expert paint engineers are equipped with the "Sightmeter," and will gladly test the efficiency of the lighting in any part of your plant: without obligation, of course.

FOR ENDURING WHITENESS
SAVE-LITE
INTERIOR WALL ENAMEL

THE SHERWIN-WILLIAMS CO.
of Canada, Limited
Head Office MONTREAL

Two Choices Of Factories Face Builder

Both Multiple and One-story Plants Have Advantages

POINTS COMPARED

Company executives planning plant replacements immediately face the decision of whether the new factory be of the one floor plan or several. That problem did not exist 25 years ago.

From then back to the beginning of the industrial age but one type of structure prevailed. This was usually dotted with regular rows of small dirt covered windows and surmounted by a large chimney, belching smoke in good times, merely a land mark in others. Depending upon the size of the business was the number of stories, but almost invariably there were three or four.

Two Types Available

But the factories being built today are no longer confined to the multiple-story type. While the latter are still conceded the most efficient under certain types of manufacturing, under others again, the single-story affair has the advantage. Indeed most of the new factories built in the last few years have been of this type.

The potential builder today has the choice of both or a combination. His decision must be based on which is most suitable to the line of goods manufactured or processed.

Favoring the multiple-floor factory are the following points:

1. Low Taxes

Naturally where operations are confined to a single floor a great deal more ground space is occupied and in some of the large centres this is a most important consideration where taxes are high and as yet show no signs of receding. Then again space may be so limited in some of these centres that it would be impossible to secure sufficient to permit one floor manufacturing.

The alternative, moving out to cheaper land in the country is not always feasible. Shipping facilities may not be as convenient and in any case the labor supply will be scarce. Especially where a steady source of skilled labor has been developed in a community by a certain type of manufacturing is this important.

2. Low Maintenance

It is easier and cheaper, to heat a two or three story house than a similar space spread over one floor, and the same is true of a factory. In Canada this is a factor worth considering. It does much to offset the extra cost of stairways and elevators, freight and passenger, necessary where four or five stories are used.

3. Air and Light

When there is more or less vacant or yard space about the building, the ground floor factory will be flooded with natural light and open to natural ventilation. But in crowded centres this is not always the case. Indeed it is because of better light and ventilation that high floors in a hotel are usually at a premium over those below.

For light manufacturing such as garment making, a high factory may have an advantage. Heavy floors are not necessary as machinery and other equipment are not burdensome. But this argument regarding more natural light and air, does not gain a great deal of force unless the factory is carried to considerable heights. It will apply, however, unfavorably to a one-floor plant completely and closely surrounded by higher buildings.

4. Gravity is Free

For handling grain, coal, liquids, and other products which can be arranged to flow naturally from the top floor downward nothing yet has been designed to adequately replace the best of the existing type of construction. The same is probably best for small packaged goods, or when what is commonly known as loft manufacturing is carried on.

Now, provided the product to be manufactured favors the assembly type of manufacture, the main advantages of the one-floor type of factory may be summarized as follows:

1. Original Cost

Naturally if there is not going to be a basement or anything above the ground floor, heavy foundations or walls are unnecessary. The building can be easily and quickly erected in all kinds of weather. Heavy machinery can be installed quickly and cheaply. There is no space required for elevators or stairways and a saving in that used for supporting pillars. Shipping is simplified as trucks or railway cars can move right up to the point of production.

2. Expansion

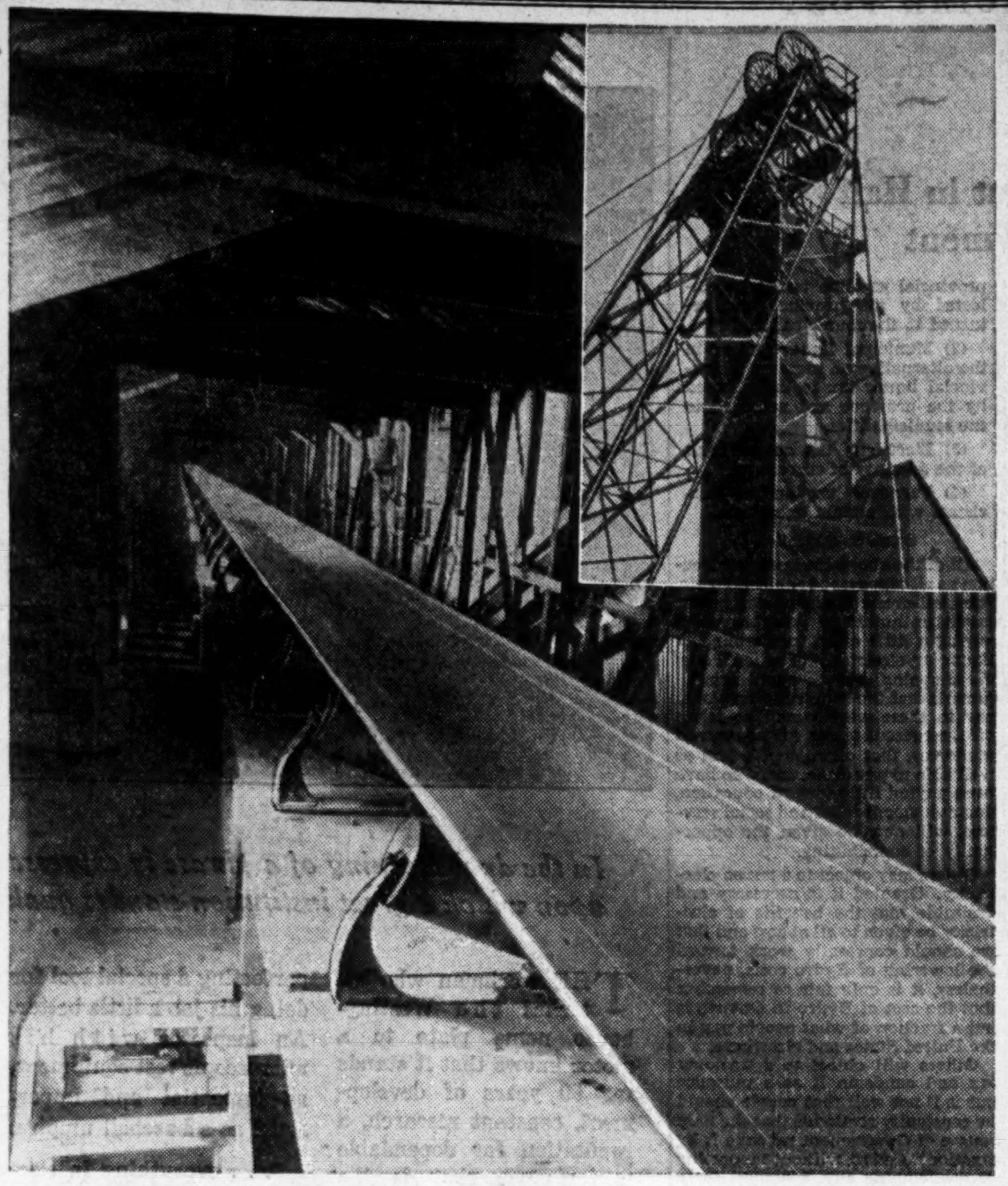
When business increases it is a simple thing to knock out the end wall and add another unit. In fact many of these new one-story factories have only a temporary or removable wall at the end which is extended or contracted at will.

3. Supervision

With all the workers on one floor in plain view of the plant foremen, it is a simple matter to supervise work and weed out inefficiency. A close inspection of production in all its phases is also possible.

4. Working Conditions

Natural light and ventilation is more readily obtained in a single-floor factory provided there is plenty of space surrounding. The light construction of the outer walls allows practically the whole exterior to be used for window space. This can be supplemented by roof monitors. A minimum of artificial lighting is required. With all the machinery mounted on a solid floor on the ground there is less nerve racking vibration and less dust.



TRANSMISSION

In every industrial plant the moving of materials from one place to another constitutes one of the major problems of manufacture. Here we see a huge rubber belt, mounted on rollers arranged so that edges of belt are tilted upward, which is used to move gravel, sand and other ingredients of concrete up to a central mixing plant. Inset is a view of the hoist in a northern mine, which carries men, ore and machinery.

Contractor Rutley

Canadian Construction Association Head Seeks Better Public Understanding of Labor — With Foundation Co. Since 1913

Frederick George Rutley elected for a second term as president of the Canadian Construction Association at the recent annual convention in Ottawa, seemed predestined to be a contractor. Not only had his father been interested in that sort of work, but in September, 1890, when the man who is now vice-president and a director of The Foundation Co. of Canada was born, the whole of Canada was vitally interested in the same thing.

First Job in 1912

It was an era of big construction. Transcontinental railroads and huge bridges were being built and also cities and ports. Naturally young Rutley turned toward this sort of development, first taking the precaution to secure specialized training. Graduating as a fully qualified engineer from the School of Practical Science, University of Toronto in 1912, he joined the general Western trek of the times and landed a job with the Calgary Power Co.

A year and a half later he was with the Foundation Company, and that is where he is at present, though not by any means in the original position which has had to do with foundation work on a big C. P. R. bridge in Northern Ontario.

Other bridge work followed both in Ontario and the Maritimes and after about ten years on various contracts for the Foundation Co., young Rutley was called into head office at Montreal where he became in turn secretary, purchasing agent, assistant general manager and in 1929, vice-president.

No Summer Holidays

A knee injury while serving overseas with the 83rd battalion prevented participation in active sports. In any case it was doubtful whether there would have been much time for such recreation. His work called for full time attention in the open months, a time when the average man breaks off occasionally for golf or fishing. Even summer holidays were denied in a business which must utilize every daylight hour in a season that opens with spring but closes with the formation of the early winter ice.

Interested in Competitors

But while the ordinary hobbies and sports of the normal successful Canadian businessman are denied him, this does not mean that the head of the Canadian Construction Association has not outside interests. He has, and one of them is the welfare of the construction industry generally. He has been active in the Association's affairs ever since he overheard a remark to the effect that the big companies completely ignored the existence or feeling of the little fellows.

Mr. Rutley believed that there was a place for every construction company in the field, and that the industry generally would share from a free interchange of ideas. He also believed that the construction industry was a least partly to blame for some of the financial troubles that have followed certain construction ventures and that standards should be developed which would guard against repetition.

F. G. RUTLEY

Such not altogether palatable facts were brought to the attention of members of the Construction Association with the frankness which characterizes all of Mr. Rutley's utterances. Instead of antagonism they only increased respect. At any rate in an organization that is made up of intensely and naturally competitive members, Mr. Rutley is so popular that long before the election of officers last week in Ottawa, The Financial Post was assured that at the head table was sitting both the present and the next president.

Urges Fair Wage Scale

Fred Rutley is also keenly interested in labor, particularly in the construction industry. But he is not an emotional philanthropist. While the strong stand he took as president of the Montreal Builders Exchange, in getting a uniform wage scale adopted, indicated that he was definitely opposed to low wages, on the other hand, he will argue that there is just as much danger in getting them too high as too low.

The average man, he states, does not appreciate the real situation in regard to wages in the construction field. The unit return must of necessity be relatively high because very seldom even in good times is there the opportunity for anything like full employment. Weather is the main limiting factor, cutting outdoor employment on many jobs to only seven months in the year.

But in addition to weather there is the short duration of the job itself. Unlike other business which is producing goods for current consumption, the average construction job is one that lasts 50 years and sometimes without a great deal of alteration or repair in that period. Yet this job is completed in a matter of weeks or months and then the worker must locate another. And when a new job does develop the worker must be prepared for a rush call and have sufficient skill to handle the continually changing materials and methods used.

Because of these unusual limitations Mr. Rutley is a firm believer in a wage standard that will ensure at least a decent standard of living throughout the life of the worker and not simply throughout that season of the year when the construction industry can use him.

Vancouver 1936 Building Shows General Increase

The year just concluded was a good one for construction in Vancouver. Building permits were issued to the value of over \$4.6 millions as compared with under \$3.9 millions a year ago, a gain not equalled in any other of the biggest Canadian cities. Of the total the largest single item was for dwelling houses with a total value of almost \$1.8 millions. Stores and offices accounted for over half a million and hospitals \$196,000.

Almost half of the total building in December went into dwelling houses with apartments accounting for slightly over \$50,000 of the \$213,000 of construction carried out in the last month of 1936.

Prospects Bright For Selling Refrigerators

Possibility of some small, cheaper electric refrigerators on the market during 1937 is indicated by one manufacturer in a survey of the industry by Hardware and Metal, Toronto. Prices for standard and larger sizes are not expected to alter to any great extent though one manufacturer believes increased raw material and wage costs may force some increase.

A peak year of 1937 is expected by most manufacturers. Sales are also reported to have touched a new high point for most firms during 1936. One manufacturer reports an overall increase of 5% in volume with a gain in all sections except Saskatchewan and Alberta.

Another manufacturer points out that Canadian sales are still relatively small and would amount in 1936 to between 2½% and 3% of electrically wired homes as compared with corresponding figures of 8% and 9% in United States.

U.S Construction Up 50% in 1936

United States total construction for 1936 was fully 50% ahead of the previous year but was still well behind 1930. Residential construction was a feature of the year running 70% ahead of 1935. But non-residential construction also has gained sharply with new factories and factory extensions playing the biggest part in building of this type. Property construction is beginning to take the lead from that sponsored and paid for out of the public purse.

Brick Dwellings Built in 4 Days

Austrian Engineer Claims Method Eliminating Weather Delay

A brick house built in four days and immediately ready for occupancy is the boast of an Austrian engineer, who has recently been in touch with Canadian housing authorities. His method of building is apparently patented and may possibly be extended to Canada in the near future.

The plan uses a dry binder between the bricks which permits construction irrespective of the weather and results in a building that does not have to be dried out previous to occupancy.

This Austrian engineer claims that there need be no pause in construction during the winter with the new system and that cost can be lowered as much as one third. He also stated that the plan would result in much better insulation cutting fuel values up to 50%.

Ferry Service May Link P. E. I. and Nova Scotia

From Our Own Correspondent

HALIFAX.—Legislation to permit operation of a ferry service between Woods Island, Prince Edward Island, and the Cariboo shore of Nova Scotia will be submitted to the Dominion Parliament this session, according to The Halifax Herald.

The ferries, to be operated by a private company under a subsidy agreement, will be built to carry 30 cars or trucks and will be equipped with Diesel engines. It is hoped, through the plan, to increase markets in Nova Scotia for Prince Edward Island produce and to encourage sale of lumber, coal and manufactured products to the islanders.

More B. C. Coal Moved

The coal mines of British Columbia last year brought forth 1,484,022 short tons, valued at \$5,480,906. This was a fair increase over the previous year's production, which amounted to 1,331,287 short tons, having a value of \$5,043,510.

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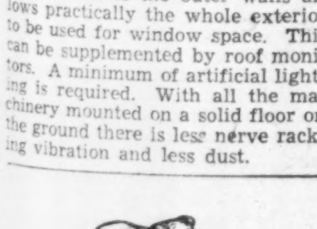

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In The Construction World

SHORTAGE of skilled workmen in the advent of any sharp expansion in the industrial field is already sufficiently imminent to have caused some concern. During the depression and in the moderate recovery years which have followed skeleton or reduced permanent staffs have been able to cope with the demand for manufactured goods. But with the inevitable sharp step-up in that demand which will come as buyers are faced with the necessity of almost completely rebuilding inventories, there may be a different story.

Workmen who have been idle during most of the depression cannot be expected to step right into full time skilled production on a week's notice. Those young chaps who may not have had any but intermittent and various part-time jobs since 1930 will take many months to train.

But there is no secret about this situation and if the interests concerned are not taking steps in advance to meet it, at least they are fully aware it exists.

* * *

Big Field Foreseen In Factory Replacement

SOMETHING not so generally realized, however, is the present state of manufacturing equipment. In hundreds of factories both plant and equipment are obsolete. Before these can resume anything like full-time operations and turn out the line of goods which the public demands today, there will have to be extensive alterations.

Even with such temporary improvement, however, many of Canada's factories will not be able to cope with any great amount of new competition. Buildings that date back to the last century even if re-equipped are certainly not going to be able to operate successfully against those erected in the last decade and designed especially to meet the requirements of the goods in demand today.

It is estimated by reliable authorities that complete replacement of any factory over 25 years old should cut operating costs 20 to 25%. Here is a big field for the Canadian construction industry and one which returning prosperity promises to open on a wide scale.

* * *

Big Steel Mills Getting Orders

"THERE has been no real improvement in the heavy industry field," was a common plaint heard during the first and still recent years of recovery. In 1934 and 1935 Canadian light industry forged rapidly ahead, but most of the big steel plants were still reporting losses and nothing like capacity volume was in sight.

The last six months have seen a big change. Orders have been literally flowing in and employment in Canadian steel mills must now be at the highest point since 1929. Notwithstanding a price increase in December, there has been no letting up whatever in buying. Some executives at the recent convention of the Canadian Construction Association in Ottawa told The Financial Post that there were already sufficient orders booked to keep plants working at normal capacity for the next six months. As most of these orders are for further manufacturing into capital goods this means that Canadian industry generally anticipates recovery continuing.

Taxes Block Building

Lindsay Mayor Suggests Real Estate Levies be Cut in Half In Effort to Revive Construction and Employment

By CECIL G. FROST
(Mayor of Lindsay, Ont.)

One out of every three of our working days is spent in earning sufficient to pay our taxes.

It takes about 17 days each year to pay our municipal, provincial and federal deficits.

The Citizens Research Institute informs us that expenditures on current account of all governments, federal, provincial and municipal, including those on direct relief, amounted in 1934 to $1,041,546,114 as compared with $748,253,893 in 1924, while net production of all industry in 1934 was 20% less than in 1924.

A glance at these significant facts is sufficient to explain in part at least why unemployment and unrest are hampering recovery in Canada.

Gainful Employment

To remedy this condition we must create gainful employment for all but how are we to create it? Our governments have tried relief work, such as road-building, but the money so spent travels in too small a circle to create national prosperity. The government borrows money from the bank — the worker gets his remun-create gainful employment for all on pay-day, she pays the grocer and the butcher, and they in turn, hasten to the bank to apply same on their overdraft and so the relief money has made one small circle, the government has increased the debt and prosperity still remains "around the corner."

One is forced to the conclusion that gainful employment for all will only come from natural sources. Is there work to be done? A glance around us reveals that our greatest necessities are the physical developments of our country and proper housing to cope with our climate and I present to you, as thoughtful Canadians, two important points:

(1) If we could revive the building and construction trades, we would thereby solve our unemployment problem, as work and wages would be provided on a basis whereby skill and industry would be rewarded. Every class of citizen, from the axe-man in Northern Ontario to the soda-fountain clerk, would be beneficially affected.

(2) The best way to preserve the principles of freedom and democracy, on which this country was founded, for posterity, is to make good Canadians of all our citizens, including those who will presently come to our shores from abroad. Surely there is no better way of making good Canadians than to encourage our citizens, present and future, to have a definite financial stake in the contry by owning their own homes.

Real Estate Taxation

What then stands in the way of the revival of the building industry and a successful campaign to create new home-owners? Would you consider the excessive taxation on real estate to be a retarding factor?

The B. N. A. Act provides that the Dominion Government has power to raise money by any mode or system of taxation. The Act also provides Provincial Legislatures with powers of direct taxation, and places Municipal Institutions within their jurisdiction.

Federal revenues are mainly raised through income tax, sales tax, customs and excise, and I venture to suggest that the owners of real property contribute their fair share of these revenues.

The Province of Ontario obtains its revenues chiefly from motor licenses, gasoline tax, liquor profits, succession duties, corporation tax, amusement tax, and now, the income tax. Again I suggest that the owners of real property contribute their fair share.

Property Owner Pays

Municipalities, being the creatures of the provincial legislature, derive their revenues mainly from direct taxation on real estate, calculated on the basis of actual value.

Let us consider how this division of taxation among our Federal, Provincial and Municipal Governments, has worked out in practice.

	Total tax bill	Collected by municipalities	Per cent Approx.
1933 ...	$607,205,708	$278,565,440	45%
1934 ...	597,540,696	252,135,580	43%

No Regard to Earnings

These authentic figures reveal an astounding situation—real estate is taxed on the basis of its assessed actual value without regard to earnings, and pays upwards of one-half of the total tax bill, while other sources of taxation come largely from earnings, profits and income. It is to our national interest to develop real property and yet we proceed to defeat our own objective by throwing a crushing burden of taxation on the very thing we are endeavoring to create. Are we not guilty of stupidity?

Let us now, briefly, consider the plight of our municipal government. Naturally, I will speak of the municipalities in Ontario, but I have no doubt that similar conditions obtain elsewhere. The municipal laws of Ontario follow the set-up of the Baldwin Act of 1849. Eighty-seven years ago (before Confederation) municipal machinery was established designed to permit local landowners to contribute to a common fund to provide services for the benefit of real property, i.e., sidewalks, drainage systems and water, etc.

Improvement Demands

With the passing of the years, citizens demanded a higher standard of living and a greater opportunity for their children. The people demanded the improvements made possible by scientific discovery, hence muddy streets became paved highways; the backyard pump became the modern tap; the bucket brigade of former days changed to the expensive and scientifically equipped fire-engine and the old red schoolhouse was torn down and in its place we find an educational palace fully equipped

CECIL G. FROST

with tiled bathrooms and all modern facilities.

As a result, municipal taxation steadily increased and municipal governments feeling that future generations should contribute, created heavy indebtedness and mortgaged the future. Municipal councils value real estate and no matter how empty the taxpayer's pocket might be, his property, if forced into tax sale, would provide his share of the cost.

Social Legislation

Municipal councils, however, overlooked the trend of Federal and Provincial legislation which threw upon them a substantial proportion of the cost of social legislation. I wish to make it perfectly clear that in my judgment social legislation and unemployment relief are necessary under existing circumstances. I venture to suggest, however, that the owners of real estate are already paying their just proportion of Federal and Provincial taxes and it seems inequitable that the cost of these services, which are imposed upon the municipalities, should in turn be charged to real estate.

I am going to suggest, firstly, a reform which is obvious to us all, and secondly, a reform which requires a little more imagination. I present both to you as constructive suggestions which I hope will receive your thoughtful consideration.

1. As municipal and assessment laws of Ontario are all within the competence of the Provincial Legislature, it is obvious we must work through that body. The whole scheme of municipal government should be studied with a view to simplify the administration of public business, the elimination of waste and the creation of a more efficient and economic administration. I suggest that the budgets of the various spending bodies not under the direct control of municipal councils should not be governed by so-called "necessity" but rather by the taxpayers' capacity to pay. This situation could be remedied by recasting the set-up of our municipal structure. This, of course, can only be done by the provincial legislature. Desirable as this may be I must admit that the resultant tax relief to the owner of real estate will not be sufficiently substantial to accomplish what I have in mind, namely, the revival of the building industry and a successful campaign of "home-ownership."

2. To obtain concrete results, I submit that the present tax burden thrown upon real estate should be cut in half. Consider the services supplied by the owner of real estate that are of no peculiar benefit to real estate. Education, for instance, comprises on the average about one-third of a municipal tax bill. Education is necessary, but, it is not "peculiarly" necessary to the owner of real estate only. The same may be said of unemployment relief and the cost of social services.

Costly Investment

Would it be worth while to consider cutting the taxes paid by real estate in half? Let me present this proposition. A man and his wife live in, say, the town of Lindsay where the tax rate is approximately 45 mills. They have for investment, say, $20,000. If they invest this sum in securities at say, 5%, their income will be $1,000 yearly while their exemption from income tax is $2,000. It follows they would pay nothing toward the country's tax bill that the owner of real estate does not pay in addition to his municipal taxes.

If this couple were to invest $20,000 in Lindsay real estate on the basis of actual value at the current tax rate of approximately 45 mills, they would pay $900 yearly in taxation before having anything for themselves.

This example would apply equally well to every other municipality in Canada. If the $20,000 is invested in real estate it will create industry and employment. Moreover, the owner will have a definite financial stake in the country. Do you consider that our existing taxation set-up is promoting a return to prosperity or retarding it?

Sources of Revenue

Assuming that we remove the cost of education, unemployment relief and social services from real estate; it follows that other revenues must be found to provide for these necessary and important services. Accordingly, I suggest that the burden be shifted from real estate to a wider circle of taxpayers that will include the owners of real estate.

Let us consider, therefore, in a general way some new, potential sources of revenue and at the same time remember that revenue sources and their equitable distribution have been merely scratched, rather than systematically dug.

I wish to make it clear that in mentioning the following potential sources of revenue, I purposely advocate none. All have their good points and their objections. I merely place them before you in the hope of adding something helpful for your consideration. I think it fair to say, however, that practically every citizen—rich or poor—would contribute something toward the cost of Government in accordance with his capacity to pay.

(1) Municipal gasoline tax or in the alternative an increase in the provincial gasoline tax to be collected by the province and returned to the municipalities.

(2) Municipal liquor tax or in the alternative an increase in provincial liquor tax to be collected by the province and returned to the municipalities.

(3) Electricity tax on the basis of the quantity of current used.

(4) Turnover tax on all purchases with certain exceptions.

Open to Objection

All of the above are open to objection as all taxpaying is objectionable. The hard-pressed municipal taxpayer might unthinkingly grumble when paying a little extra for gasoline or liquor or electricity or when doing his shopping, but he could remind himself that the little extra he would pay in these ways would be taken off the present tax on his house, and moreover, that other people just as well able to pay as he, and who have been paying little toward education, unemployment relief and social services, will now be given the opportunity of contributing.

Others may object to a tax on electricity. Granted it is necessary and desirable that the benefits of electricity be given to all at cost and that we should constantly work toward the lowering of Hydro costs, nevertheless, it is only fair to remember that the cost of Hydro in Ontario is but a fraction of what people pay in the United States and elsewhere.

Others will object to a turnover tax and condemn it as a nuisance but is it not well that people should be constantly reminded that the only source of Government revenue is by taxation? And so, without supporting or condemning any, I suggest these sources of revenue for your consideration.

National Commission

I have pointed to the excessive taxation of real estate as one of the major causes of unemployment. I have suggested that real estate be partially relieved of the intolerable burden it carried and that new and wider sources of revenue should be found. You may not agree with my reasoning, but at least you will admit the existence of the problem.

I suggest that this problem and its complex ramifications be lifted out of politics and that all political parties unite in appointing a commission of the most outstanding men in Canada — men drawn from the ranks of agriculture, economics, labor, capital and the law—who will approach the whole tax problem in a nonpolitical manner.

The commission should be asked to draw up a plan whereby present-day responsibilities would be divided among our federal, provincial and municipal governments and at the same time suggest an equitable and scientific division of revenues, aimed at the relief of real estate. The commission should be asked to consider debt retirement and necessary safeguards against extravagance.

Tax Revision Survey Urged

("Taxes Block Building" Summarized)

Cecil G. Frost, mayor of Lindsay, is recognized as a close student of municipal administration. In the accompanying article he has presented for argument a possible means of encouraging the construction industry in Canada and thereby creating employment.

Mayor Frost believes that high municipal taxation has made investment in real estate a costly and seldom profitable investment.

If taxation on real estate, now calculated without any regard for its earning power, were cut in half, he argues, capital would be attracted from low-yield securities to a place where it could directly create industry and gainful employment.

He suggests a non-political national commission to study the whole field of taxation revision.

New Building

Work will be started in the spring on a $200,000 steel frame and metal warehouse at Niagara Falls, Ont., for the **North America Cyanamid Ltd.**, the Daily Commercial News and Building Record reports. The structure will be a single story, 300 ft. long and 150 ft. wide.

* * *

Canadian Westinghouse Co. is contemplating another addition to its Aberdeen Avenue plant in Hamilton, Ont. Work is now under way on the new administration building on the same site.

* * *

J. P. Coulson, of Ottawa, plans immediate replacement of the Sudbury hotel block destroyed by fire last week. The former building was valued at $100,000.

* * *

John Labatt Ltd., London, Ont., brewers, plans early construction of a $20,000 store building opposite its plant to accommodate the retail department of the company. Steel is now being erected for the $50,000 storage plant

* * *

Construction of a new store building is reported to be under consideration by **Holt Renfrew and Co.,** according to the Montreal correspondent of the Daily Commercial News and Building Record.

A modern concrete structure to cost $500,000 is planned at Vancouver to replace No. 3 Harbor Elevator. Tenders, it is expected, will be called before the end of the month.

* * *

Tenders will be called soon for a $50,000 apartment hotel building in Vancouver. It is hoped to have work started by Feb. 1.

* * *

British financiers whose names have not been disclosed have completed plans for the erection of a $2 millions paper pulp mill at Sapperton, B.C. H. L. Edmunds, K.C., of New Westminster, B.C., is the Canadian representative of the group which plans an early start on the project. About 250 men will be employed immediately in clearing an 80-acre site.

* * *

Construction of the $40,000 addition to the digester building at the Cornwall plant of the **Howard Smith Paper Mills Ltd.** will be started soon. **Dominion Bridge Co.** has received the structural steel contract on the work.

Reopen Car Shops

Melville, Sask. — The Canadian National Railways plans to reopen the Melville car shops, closed for the past four years, according to advice from A. E. Warren, western vice-president of the C.N.R. The shops employ about 150 men.

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SECOND SECTION

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Do the Brilliant Scholars Make Good?

Analysis of Records Shows Many Upper Canada College Head Boys Leaders in Universities, Legal Profession and Letters — A Few of Them are Business Executives

By THOMAS C. THOMPSON

Do brilliant students succeed in life?

There is a widely held belief that most successful businessmen were hopeless failures as students, but if financial achievement and prominence in the legal and teaching professions are counted as equal measures of success, the record of former "Head Boys" of Upper Canada College seems to explode the old theory as another fallacy.

Each year a "Head Boy" is chosen at Upper Canada College on the basis of the highest standing attained in honor matriculation examinations. The head boy passes out of the school, enters university or business and his name is placed in gilt on the chapel roll of academic honor. The distinction is based entirely on scholastic achievement and has nothing to do with the annual awards of the J. Herbert Mason medals, won by selection and vote for all-round qualities of character, leadership and other attributes. Few boys have appeared on both honor rolls.

Private Schools

U. C. C. is representative of Canadian schools which provide an all-round education for boys. It is similar to Ridley, Trinity College School, Lower Canada College, St. Andrew's and others to which men of modest means and men of wealth send their sons because they believe the additional expense is justified by the academic, physical and moral training given.

But the root of the matter lies in the raw material which enters U.C.C. each term in the form of "new boys." U.C.C., like any other Canadian college of its kind, cannot produce silk purses from sows' ears and there are former U.C.C. boys who have done everything else but make a success of their lives after leaving school.

One, for example, chose to become a professional gambler and is now well known to the gambling fraternity in eastern Canada. The fact that he was finally asked to leave U.C.C. probably foreshadowed the result.

Another, with an early flair for frenzied finance, has engaged in a dozen dubious enterprises since leaving the gates of the school to pass eventually between the gates of a reformatory, and a few others have become more notorious than famous. It is a fact, however, that so-called "black sheep" are the exceptions, and there are definite reasons why the majority of former U.C.C. boys can be found among the ranks of men who are leaders in political, professional and business life in Canada. Most of them, it may be noted, are still in Canada, although hundreds who entered the college from the U.S., Mexico, China, South America and England, are scattered all over the world and appear from time to time in the news. Not the least well known are Raymond Massey and Bert Lytell, famous respectively on stage and screen.

Early Training

The chief reason for the surprising degree of success achieved by former U.C.C. students, head boys and others is that the majority came from homes where they enjoyed an early training somewhat better than that available to boys in poorer homes. Some were born with the mythical "silver spoon" in their mouths and, by inheritance or through family connections, have not had to face the obstacles in the way of those in less fortunate circumstances. They, too, are exceptions, however, and do not represent the average type of boy attending U.C.C. and similar Canadian institutions. The latter is a boy of 8 to 14, from a Canadian home in which there is neither wealth nor poverty, where both parents have ingrained a sense of social responsibility into the child, and themselves enjoy a standard of education from which the child benefits in his early formative years.

Qualities of the new boy at U.C.C. are quickly revealed on sports fields and in the classrooms—character, the ability to obey so that he may learn to command, and a sense of fair play. U.C.C. for years has made no secret of its object of producing leaders and if qualities of leadership are lacking in the boy himself there is little hope for him. The college motto of U.C.C. is "Palmam Qui Meruit Ferat," which is a polite way of saying "The prize to him who earns it."

With what result from an academic standpoint?

An analysis reveals that of the former head boys of U. C. C. since 1875, the majority have definitely established themselves chiefly in business, the university teaching professions and in law. Other professions and occupations are represented in the record of former head boys, ranging from the life of insurance and automobile salesmen to the adventure of accompanying Captain Scott on his ill-fated expedition to the South Pole, but finance, law and teaching undoubtedly lead in the type of careers followed by the mental giants of schooldays.

J. Edmund Jones, Toronto police magistrate, Stephen Leacock, and the late Thomas Moss, former chief justice of Ontario, are among former head boys of U. C. C. Sir Edward Peacock, director of the Bank of England, was once a student at U. C. C. and later a house-master, although he was not a head boy.

The names of many former head boys who are prominent Canadians appear in the now faded letters of years ago although they do not include Sir Edward Beatty, K.C., Sir E. Wyly Grier, R.C.A., Col. A. O. T. Beardmore, V.D., member of a prominent Canadian family long associated with the leather industry, and who is now commander of the Sixth Infantry Brigade, with headquarters in Toronto, or the late Sir Albert E. Gooderham, former U.C.C. students who, while they failed to attain

"HEAD BOYS" THESE

Stephen Leacock (U.C.C. '82-'87) and later a house master, now a noted Canadian economist, author and humorist (top). David A. Keys (U.C.C. '06-'10), engaged in important scientific work for the British Admiralty during the war and now a university professor (centre). Magistrate J. Edmund Jones (U.C.C. '77-'84), of Toronto, widely known as an author, young people's worker and active as a layman of the Anglican Church (lower).

the rank of "Head Boy," nevertheless rose to wider fame in later years. The newer names shine in glittering gilt, but opposite the figures "1830-33" appears the most faded lettering of all. It is the name of Henry Scadding, first "Head Boy" of U.C.C. and later a prominent Canadian divine and author.

Former Chief Justice

Like the Rev. Henry Scadding, D.D., most of the older names are those of men who died years ago. William Wedd, head boy in 1843, and a famous teacher of mathematics at U.C.C.; John T. Huggard, head boy in 1849; Thomas Moss, head boy in 1854 and later vice-chancellor of the University of Toronto and chief justice of Ontario; Daniel Ryrie, head boy in 1865 and W. H. Biggar, head boy in 1872 who later became general counsel and vice-president of the Grand Trunk system, are among those recorded in U.C.C. archives as deceased.

But largely owing to the care with which Upper Canada College Old Boys' Association has preserved a record of every ex-student, the lives of other former head boys can be traced.

The head boy in 1877 was A. Douglas Ponton, now a prominent real estate broker in Toronto. In the following year E. P. Davis earned a place on the tablet of U.C.C. fame as head boy. He is now a K.C. in Vancouver, widely known as a successful barrister.

Hugh Hornby Langton was head boy in 1879 and later was called to the Ontario Bar. Son of a former auditor general of Canada, he later became joint author, with Professor G. M. Wrong, of historical publications relating to Canada and is the author of "Chronicles of Canada."

Poet and Minister

"W. P. McKenzie—1880" is Rev. William Patrick McKenzie of Cambridge, Mass. He entered the University of Toronto in 1884, and later was correspondent of the Toronto Mail during the North-West Rebellion. He later entered Knox College and became a Presbyterian minister in the U.S., only to embrace the Christian Science faith still later. Author of many poems, he has been trustee of the Christian Science Publishing Society since 1898.

W. H. Walker and Professor A. H. Young, head boys in 1881 and 1882, are both dead. Mr. Walker became Canadian under-secretary of state for external affairs and the late Professor Young, for years on the faculty of Trinity College, Toronto, became known as a historian. He was editor of Upper Canada College's remarkable war record of ex-students, "The War Book of Upper Canada College."

Public Service

Arthur G. Smith headed the senior matriculation standing at U.C.C. in 1882 and succeeded the next year to "Head Boy" honors. He is now the district registrar of titles for B.C., at Vancouver. He was deputy attorney-general of British Columbia from 1891 to 1898.

Several thousand miles away his successor, J. Edmund Jones, head boy of U.C.C. in 1884, has risen to prominence in the legal profession and is now a Toronto magistrate. He is a well-known churchman and author of a number of works.

G. C. Biggar, head boy in 1885, is dead. He was at one time financial editor of the Toronto Globe, later entering the financial field as member of a prominent firm of Toronto stockbrokers. His son, G. F. Biggar, also attended U.C.C. and another son, J. H. Biggar, was a J. Herbert Mason Medallist and is now a master at U.C.C.

J. Herbert Mason Medals

At Upper Canada there is also a separate tablet, high on the wall of the chapel. It contains the names of winners of the gold and silver medals given in commemoration of J Herbert Mason. The awards are made to the two boys who, selected by vote, are regarded by their fellows as outstanding in points of character. One Mason silver medal winner was also head boy in 1886. He was Angus A. Macdonald, now a well-known financier in Toronto.

In the following year the head boy was Stephen Butler Leacock, famous today as a historian, economist and humorist. He returned to U.C.C. later as a master before joining the faculty of McGill University. It was also in 1887 that Col. J. T. Fotheringham, C.M.G., came to U.C.C. as an assistant classical master. He is now a noted physician and university professor emeritus.

H. G. Crocker, head boy in 1888, died in the United States after a notable career in the U.S. diplomatic service. He was a member of the U.S. commission to negotiate peace and the Carnegie Endowment for International Peace. G. F. Macdonnell, who was head boy in the following year, now lives in Ottawa and has risen to prominence in the capital. He returned to U.C.C. as a master for a time and later joined the faculty of Queen's University.

Charles A Moss, son of the late Sir Charles Moss, a former chief justice of Ontario, was head boy in 1890. He served in France as a major and died of wounds received at Regina Trench in 1916.

T. H. Hillier, who lives in Weyburn, Saskatchewan, was head boy in 1891 and had the distinction of being the last head boy on the old building then located in what is now downtown Toronto. He is now a barrister in Weyburn.

R. Franchot, of Washington, D.C., is an insurance agent. He was head boy of U.C.C. in 1892, the first year the college was situated in its present location.

Editor of Saturday Night

B. K. Sandwell, F.R.S.C., managing editor of Saturday Night, and who entered U. C. C. "from Mr. Vickery's school at Portsmouth, England," was head boy in 1893. In a career which started as a reporter on the old Toronto News, Mr. Sandwell has risen to the front rank as a Canadian writer, essayist and economist. He has been in turn associate editor of the Montreal Financial Times and assistant professor of Economics at McGill University. In 1925 he was elected a fellow of the Royal Society of Canada. Bert Lytell, later widely known as a motion picture star, entered U.C.C. the same year. S. E. Bolton, head boy in 1894, now lives in Ottawa. Dr. V. E. Henderson, head boy in 1895, who was later an assistant professor at Toronto University, is well known in the field of medicine. He had a distinguished war record.

James B. Coyne, K.C., head boy in 1896, is now member of a prominent legal firm in Winnipeg.

A. F. Aylesworth, a major during the war and a Toronto barrister, who was head boy in 1897, is dead. H. E. Roaf who followed him is now Professor Herbert E. Roaf, M.R.S.C., L.R.C.P., of the University of Liverpool. He too served in the war.

From School to War

Head boys at U.C.C. at the end of the last century were of the war generation and their records nearly all include war service. Noted among them is Col. H. F. Hertzberg, C.M.G., D.S.O., M.C., who entered U.C.C. in 1898. He won fame during the war and is now prominent in the military life of Canada. Henry M. Darling, head boy in 1899, and now an attorney in New York City, served in the U. S. air service and Colonel John J. Creelman, head boy in the following year, won the D.S.O. and other decorations, was wounded and returned to Canada. He is now a Montreal lawyer.

Dr. E. M. Henderson, head boy in 1901, was appointed to the board of governors of U.C.C. in 1918. He is practising in Toronto. Dr. F. C. Harrison, head boy in 1902, is also practising medicine in Toronto. He served as captain and medical officer with the R.A.F. during the war. Winner of the J. Herbert Mason silver medal that year was John F. Lash, son of the late Z. A. Lash, K.C. He is now Col. J. F. Lash, O.B.E., a prominent Canadian corporation lawyer, living in Toronto.

K. G. Fletcher, head boy in 1903, has become a member of the financial firm of Fletcher, MacFarlane and Co., in Toronto.

To the South Pole With Scott

Quiet, studious and brilliant, Charles Seymour Wright was head boy in 1904, and after leaving U.C.C. entered the University of Toronto to win an Edward Blake scholarship. His record merely says, "He engaged in geographical work." He was an explorer, member of the Scott expedition to the South Pole, and survived that adventure to win an O.B.E. and military cross during the war. He was deputy director of scientific research at the Admiralty in London. His home is at Mickleham, Surrey.

R. K. Gordon, head boy in 1905, is now a professor at the University of Alberta. The head boy of 1906, Denis Stairs, is an automobile salesman in Montreal.

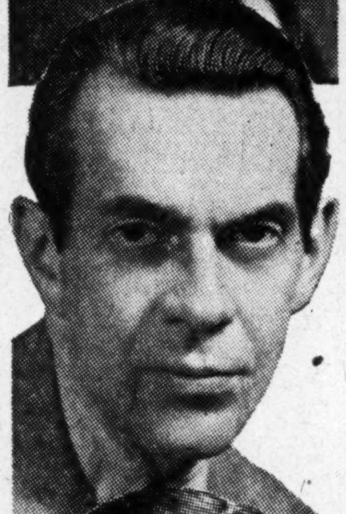
P. W. Beatty, K.C., partner in the firm of Fraser and Beatty, Toronto barristers, was head boy in 1907 and the J. Herbert Mason silver medallist. He served in France with the rank of major and was awarded the M. C.

His successor, A. J. Benjamin, head boy in 1908, was killed in action while serving as a captain in the Imperial cavalry. He was an engineer and enlisted on Aug. 4, 1914.

McGill Physicist

D. A. Keys, who is now associate professor of physics at McGill University, Montreal, won the honor both in 1909 and 1910. During the war he carried on experiments at the Admiralty's experimental station in Scotland. One of his schoolmates was Raymond Massey, member of a famous Canadian family and now a well-known acter. He was an artillery captain in the war.

James W. Grant, head boy in 1911, lives in Montreal, where he is associated with a financial house, and R. B. Gibson, who followed him in 1912, is now a member of a Toronto legal firm after surviving the war



— THESE WERE NOT

Sir Edward Beatty, G.B.E. (U.C.C. '87-'88), never a "head boy" but now president and chairman of the C.P.R. (top). Raymond Massey (U.C.C. '07-'10) (centre), who served as an artillery captain during the war and later rose to fame as an actor, is a brother of the Hon. Vincent Massey. Col. A. O. T. Beardmore, V.D. (U.C.C. '95-'02), member of a Canadian family widely known in the leather industry. He served through the war and is now commander of the 6th Infantry Brigade with headquarters in Toronto (lower).

in which he gained the rank of major.

W. H. Biggar was head boy in 1913, but the next year terminated a promising scholastic career to become a captain. He served through the war and now lives in Montreal, where he has been alderman for Notre Dame de Grace for the last 10 years. He is a lawyer. John A. S. Peterson, head boy of 1914, also went to war but although he was a lieutenant in the U.C.C. Rifle Company, he was content to serve as a private in the army. He won the military medal.

B. H. Miller, successor to the head boy's title in 1915, exchanged it for a lieutenancy, and returned after the war to resume his engineering and scientific career. Ansell Kinney, head boy in 1916, now lives in Chicago.

W. M. Thomson, now an executive of the Nash Engineering Co. of New York, joined the parade of U.C.C. graduates who went from the school to the war. He served with a machine gun unit in the expedition to Siberia in 1918, after leaving U.C.C. as head boy in 1917.

The distinguished school record of H. J. Stowe, head boy in 1918, led to the life insurance business and he is now an executive of the Manufacturers Life in Toronto.

Living in China

Frederick C. Bardens, quiet, unassuming head boy of 1919, who came from China, is now a resident of Tsingtao, and engaged in mercantile activity. "Archie" McIlwraith, who followed Bardens as head boy, became Professor Archibald McIlwraith, of the Department of English, University of Liverpool, a vocation which any of his friends of school days could accurately have prophesied.

Head boy of 1921 was Murray Fox Gibbon. He was chosen Rhodes scholar for Quebec in 1925 and went to Oxford the same year. His home is in Ste. Anne de Bellevue, Quebec.

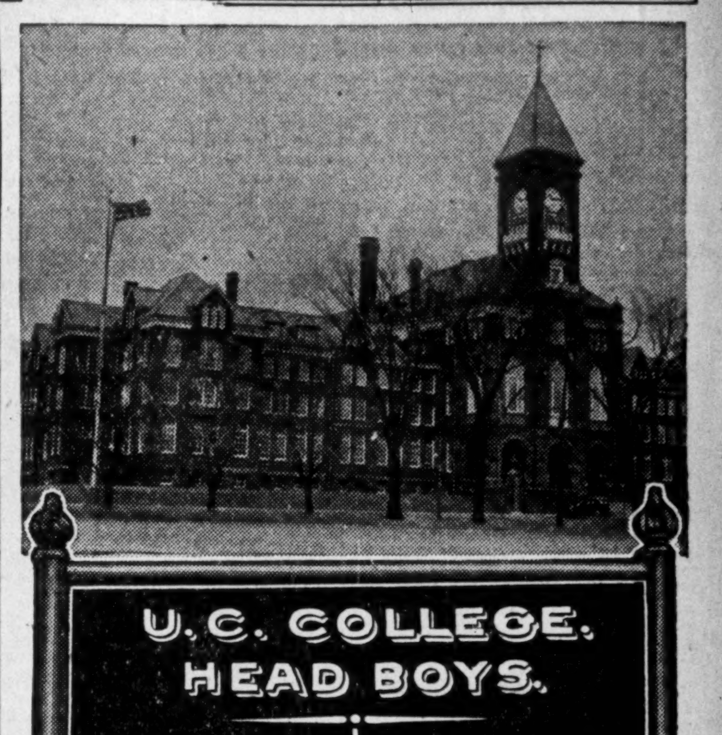
Careers Are Beginning

Mark Auden, son of a former U.C.C. principal, and head boy of 1922 was registrar of the Confederation Life Association's group division in London, England, and is now associated with the company's head office in Toronto. A. L. Graburn, Auden's successor who lives in Pennsylvania, is still in the early stages of his career, as also is A. F. W. Plumptre, head boy of 1924, who was appointed assistant secretary to the Macmillan Banking Commission in 1933 and who went to Cambridge after winning the Massey Foundation scholarship in 1928. He is now on the faculty of the University of Toronto. F. W. Burton, head boy in 1925 and 1926, was awarded the Maurice Cody Research Fellowship for 1934-35 and is carrying on research work in connection with the rôle of wheat in Canada's economic history.

What is the conclusion?

The record of head boys of U.C.C. does not, of course, represent the full scope of success achieved by brilliant students who received an education of wider scope than that provided by schools whose influence ceases at 3.30 p.m. and recommences at 9 a.m. the following day.

Nor do J. Herbert Mason medallists represent the complete results of training at the type of Canadian school represented by U.C.C. The majority of U.C.C. students do not receive either distinction, but the record of old boys, carefully compiled by the Old Boys' Association, reveals that prominent or obscure, wealthy or poor, the boys who spent a part of their early years at U.C.C are making their way in the life of Canada and contributing something to it. There are exceptions, but in business, law, the army, professions and a hundred widely varying walks of life, they carry on the tradition of "Palmam Qui Meruit Ferat," with no complaints if there are not enough prizes to go around.



U. C. COLLEGE. HEAD BOYS.

Franchot R.	1892	Graburn A.L.	1923
Sandwell B.K.	1893	Plumptre A.F.W.	1924
Bolton S.E.	1894	Burton F.W.	1925
Henderson. V.E.	1895	Burton F.W.	1926
Coyne. J.B.	1896	Henderson E.M.	1927
Aylesworth. A.F.	1897	Griffith D.L.	1928
Roaf. H.E.	1898	Griffith D.L.	1929
Darling. H.M.	1899	Lawrence G.M.	1930
Creelman. J.J.	1900	Romeyn J.A.	1931
Henderson. E.M.	1901	Smith A.C.	1932
Harrison. F.C.	1902	Smith W.C.	1933
Fletcher. K.G.	1903	Bruce. D.I.W. } Aeq.	1934
C.S. Wright.	1904	Campbell. A.G. }	
R.K. Gordon.	1905	Goulding. W.S.	1935
D. Stairs.	1906	Daly. T.C.	1936
P.W. Beatty.	1907		
J.A. Benjamin.	1908		
D.A. Keys.	1909		
D.A. Keys.	1910		
J.W. Grant.	1911		
R.B. Gibson.	1912		
W.H. Biggar.	1913		
J.A.S. Peterson.	1914		
B.H. Miller.	1915		
A.M. Kinney.	1916		
W.M. Thomson.	1917		
H.J. Stowe.	1918		
F.C. Bardens.	1919		
A.K. McIlwraith	1920		
M.F. Gibbon.	1921		
M.F. Auden	1922		

J. HERBERT MASON MEDALS.

FOUNDED 1888.

Gold.		Silver.	
George Clayes.	1888.		
G.F. Macdonnell.	1889.	A.E. Hoskin.	1889.
H.P. Biggar.	1890.	E.C.P. Clark.	1890.
J.L. Counsell.	1891.	A.F. Barr.	1891.
W.H. Hargraft.	1892.	A.R. Robertson	1892.
F.J. McLennan.	1893.	D.J. Rayside.	1893.
F.W. Maclennan.	1894.	A. Angus Macdonald	1894
R.S. Waldie.	1895.	M.C. Cameron.	1895.
R.H. Parmenter.	1896	E.P. Brown.	1896
W.C. Petherbridge.	1897	C.W. Darling.	1897
C.W. Darling.	1898	J.A.S. Graham.	1898
E.N. Martin.	1899	H.F. Lownsborough.	1899
E. Boyd.	1900	M.B. Bonnell.	1900
R.H. Britton.	1901	H.E. Beatty.	1901
H.J.E. Keys.	1902	J.F. Lash.	1902
J.L. Pattinson.	1903	A.M. Boyd.	1903
O.A. Arton.	1904	W. Dobson.	1904
W. Dobson.	1905	G.R. Davis.	1905
G.R. Davis.	1906	J.D. Woods.	1906
G.E. Saunders.	1907	P.W. Beatty.	1907
D.M. Goldie.	1908	J.V. Young.	1908
H.M. Dawson.	1909	C.G. Carruthers.	1909
J.R. Woods.	1910	A.W. Sime.	1910
M.A. Clarkson.	1911	C.D.B. Palmer.	1911
G.G. Garvey.	1912	E.N. Gunsaulus. } V.A. MacLean. }	1912
P.H. DeGruchy.	1913	C.M. Chandler.	1913
A.M. Inglis.	1914	G.C. Aykroyd.	1914
C.G.M. Grier.	1915	G.N.A. Ireson.	1915
T.G. Drew-Brook	1916	E.W. Francis.	1916
I.B. Hardaker	1917	F.C. Shurly	1917

ROLL OF ACADEMIC HONOR

The Canadian legal profession and Canadian universities have made the richest gains from the scholastic standing of Upper Canada College, an analysis of the careers of U. C. C. head boys shows. The names of these boys and those of winners of the Herbert Mason medal are inscribed on plaques (shown above). A view of the college itself is shown at the top.

Banking Executives From the Mines

S. H. Logan and A. E. Arscott Have Broad Background of Banking Under All Kinds of Conditions

By SCOTT FYFE

Banking's tribute to mining.

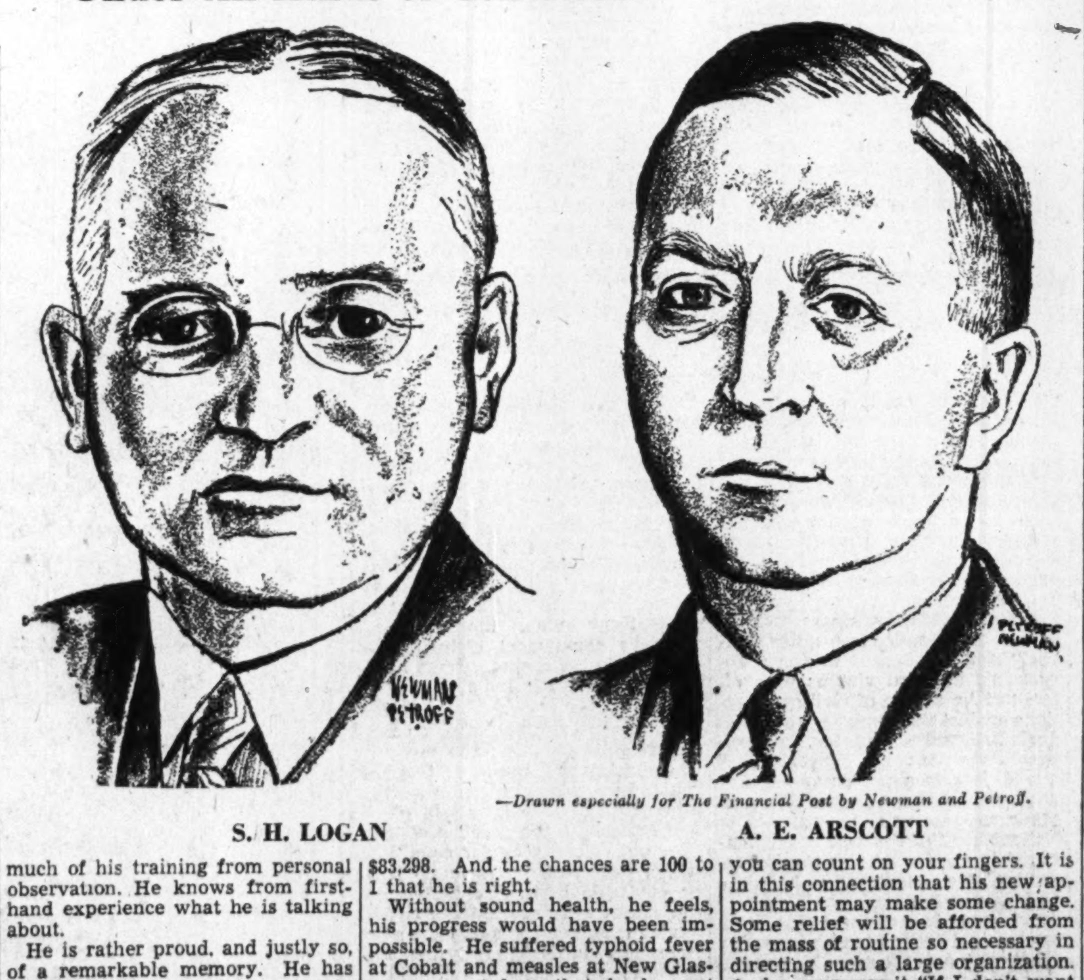
Such was the construction placed by many on the executive chances announced last week by the Canadian Bank of Commerce. The new president, S. H. Logan, and A. E. Arscott, who succeeds him as general manager, have both been closely identified with mineral development in northern Ontario. As pioneer bankers in the mining areas of Cobalt, Gowganda, Porcupine and Elk Lake, their rôle in promoting the industry has been a major one.

Actually, although in less degree, their appointments may be taken as a reflection of their interest in any of a number of other industries. For they have been associated, in a banking sense, with forest industries, coal mining, iron and steel and a host of smaller enterprises. Mr. Logan, in particular, has served as the bank's trade ambassador. In short, they are typical products of the Canadian banking system.

Both men began with the bank as junior clerks, and have gradually worked their way up through the drudgery and responsibilities with which all young bankers are only too familiar. In relation to the positions they occupy, both are quite young. Not in years alone is this apparent. They are distinctly progressive in their viewpoint. Banking, they feel, must keep up with the times. Banks must continually be on the lookout for new ways of doing things, for new lines of banking.

Wide Experience

Mr. Logan's success in banking is perhaps due more to his keenness of perception, his ability to almost immediately grasp the essentials of a problem, than to any other single factor. In this respect, weak eyesight has been a blessing in disguise. Unable to read for any length of time, he has been forced to obtain



—Drawn especially for The Financial Post by Newman and Petroff.

S. H. LOGAN | A. E. ARSCOTT

much of his training from personal observation. He knows from first-hand experience what he is talking about.

He is rather proud, and justly so, of a remarkable memory. He has an ability to carry bookkeeping in his head that his associates describe as "uncanny." If Mr. Blank's account is mentioned, the president is very likely to remark that the balance is $83,298. And the chances are 100 to 1 that he is right.

Without sound health, he feels, his progress would have been impossible. He suffered typhoid fever at Cobalt and measles at New Glasgow. Apart from that, he has not missed a single day through sickness in his entire 39 years of banking. What is more, in all that time, he has not been late more times than you can count on your fingers. It is in this connection that his new appointment may make some change. Some relief will be afforded from the mass of routine so necessary in directing such a large organization. As he expresses it "If I don't want to come down until 9.15 now, it won't make a hell of a lot of difference."

Mr. Logan's appointment to the presidency comes as no great surprise. Sir John Aird, dean of Canadian bankers, has been associated with the Bank of Commerce in an active capacity for almost 60 years. His retirement, after a record of exceptional merit, has been rumored for some time. One did not have to be "in the know" to select S. H. Logan as his most logical successor.

With a very broad knowledge of industry and trade, Mr. Logan has made the most of an unusually extensive banking training. Born in Springhill, Nova Scotia, 56 years ago, he barely completed his high school course before entering the Halifax Banking Co. That was in 1897.

The First Job

Much has been written in the last week of the "thrill" provided by that first job. Some have suggested that he got a greater kick out of it than from his recent promotion to the highest position in the bank. Colored as such statements may be, the fact remains that he tackled his job with enthusiasm.

At that time he had no inkling that he would one day direct—perhaps had no great ambition to direct—an army of 5,000 employees in some 600 branches. He entered banking simply because it was a job—a job he nad obtained without "pull." He was quite content to sweep floors, lug unwieldy record books from musty vaults, and to perform a multitude of other tasks which the junior of these more modern days is apt to regard as demeaning. And all for the munificent salary of $8.33 a month.

Soon after he began work, however, his outlook changed. Banking, he decided, would be his life-work. How then, could he best fit himself for promotion? The answer was to do the job in hand to the very best of his ability. That is still his by-word.

Rapid Advance

His advance in the bank has been rapid. He is quite young as bank presidents go. He was exceptionally young when appointed general manager 10 years ago. Perhaps his success has been dependent in no small measure on the fact that he has alway been a little ahead of himself. That is, more has been expected of him than his age might warrant. It has kept him hopping to maintain the pace.

The turn of the century found Mr. Logan a teller at New Glasgow. It was there he acquired a nickname which has followed him, here and abroad, to this day. He did not play hockey, but his interest in the game provided his first venture into the realm of high finance. He was appointed a sort of club treasurer with the specific function of seeing to it that there were sufficient funds in the treasury to provide for after-game parties. It is to his credit, perhaps a forecast of his future success in the financial world, that most of the games were followed by some

(Continued on page 19)

Your Investments

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Frost Steel and Wire

Is there any chance of appreciation in common shares of Frost Steel and Wire?

Frost Steel and Wire showed a considerable improvement in earnings last year and has been able to resume payment of the full dividend on its first preference stock which remains $19.25 a share in arrears. The second preference stock is $35 a share in arrears. Consequently, there is nothing in sight for the common shares until earnings improve sufficiently to cover both the annual dividend charges on first and second preference, or until some plan is devised to take care of the arrears of dividends.

The company is dependent largely on the agricultural industry for its business and further pronounced recovery in this field would enable the company to expand its earnings very substantially. Consequently, the outlook for the common is not entirely unfavorable, but depends to a large extent upon continued satisfactory farm income and also upon the arrears of preference dividends.

Abitibi Common

Would you consider Abitibi common, a reasonable speculation at present prices?

Abitibi Power & Paper common stock is a long distance from earnings. The outlook for the shares depends to a considerable extent upon what terms of capital reorganization may eventually be adopted by holders of bonds and preferred shares. No bond interest or preferred dividends have been paid for some years, and the senior security holders are in a strong position to enforce their claims upon the company's assets and earnings.

In 1935 Abitibi earned $1.2 million, barely sufficient to provide depreciation under normal circumstances, without considering bond interest at all. The earnings improved very materially in 1936, but hardly to an extent sufficient to cover full depreciation and bond interest. Further improvement in earnings is anticipated in 1937.

It is reported, but without official confirmation, that proposals may be made for reorganizing the company on the basis of 100 cents on the bondholder's dollar plus accrued interest. If this is possible, and it would take time, it would leave the question of distribution of remaining securities as a problem to be settled between the preferred and common shareholders. Since the preferred shareholders have the senior claim, and also have accumulated arrears of dividends, it seems likely that they would get the lion's share of any new equity securities or of early increases in earnings.

It is impossible to say whether Abitibi common is "a reasonable speculation," since the future of the shares depends first upon recovery of earnings to a much greater extent than has yet been realized, and second upon the share of any new securities the common stock may get in any capital reorganization. If the company can recover predepression earnings, and if the common shareholders can retain their equity, the shares would be valuable.

International Paints

The demand for paint should increase soon and I would like to know what you think of International Paints.

Prospects of the paint and varnish companies look promising. There is not only increasing building, but larger sums are being spent on maintenance and home improvements, with the result that sales of paint and allied products have tended upward. International Paint should be in a position to secure a larger share of this trade. As a result of the recapitalization plan carried out last fall arrears of dividends on the company's preferred stock were liquidated. Under the plan the 5% dividend on the new preferred shares will be cumulative and the whole of the arrears of dividends on the present shares will remain as an obligation of the company. These will be payable by way of additional dividends on the new preferred shares when earned. Since passing the plan the company has resumed dividends on the preferred and in December paid an extra dividend of 25 cents a share.

International Utilities

I would like some information on International Utilities Corp. Class B stock which is quoted at about $1.80 a share. What are its prospects?

International Utilities Corp. is a holding and investment company with its principal interest in utilities. Through its subsidiaries, the company also holds securities of mining companies, industrial companies, and investment trusts. About one third of its holdings are in Western Canada under the Dominion Gas & Electric group.

International Utilities class B stock is in a rather indeterminate position. There are four issues of preference stock which have prior claims on earnings to the class B stock, and each class of preference stock is in arrears of dividends. It would appear, therefore, that it will be a long time before any payment will be in prospect for the class B stock on which dividends have never been paid. There are 10,989 shares of $7 preferred stock which are in arrears of $4 per share, 108,837 shares of $3.50 preferred stock which are in arrears of $2 per share, 94,707 $1.75 preferred shares which are in arrears of $5.68 per share, and 124,062 shares of class A stock which are in arrears of $17.60 per share. The class B stock has no equity in assets and nothing has been earned on this stock since 1930.

Loblaw Groceterias

Please send me a report on Loblaw Groceterias class A stock. What are the prospects of the dividend being increased and the shares appreciating?

Loblaw Groceterias class A shares are selling at $24 so that the yield from the dividend of $1 a share is about 4.1%. The company's record is one of success and expansion, under efficient management. Earnings in recent years have been more or less stabilized around $1.10 a share. In the year ended May 31, 1936, earnings amounted to $1.11 a share. The equity for the class A stock was $12.69 a share.

For the current fiscal year the company reports an increase of 14.6% in sales to Dec. 12, and an increase of 13.8% in profits. If economic recovery continues, the company's policy of expanding its store units into large scale market shops should enable it to increase profits. Consequently, there is some eventual possibility of extra dividend payments being made. However, you should remember that the days of sensational expansion in stores appears to have passed, so that the buyer of shares should look for maintenance of the present dividend. Since there are no senior securities, the class A shares constitute a comparatively stable investment in food merchandising.

Bank of Canada

I bought Bank of Canada shares at $50 and am holding them with the price at $59. Should I continue to hold in expectation that the price may go higher?

The dividend on Bank of Canada shares is limited by statute to 4½% or $2.25 a share annually. Consequently, selling at $59 each, the shares represent something like a perpetual Government debenture, since the dividend payments are practically assured from the bank's semi-monopoly earnings. The price of the shares depends to a considerable extent, therefore, upon the level of prices for gilt-edged securities. If the interest yield on Government bonds were to rise, accompanying a decline in bond prices, then other securities with fixed returns, such as Bank of Canada stock, would also tend to decline. There does not appear to be a great deal of scope for further increases in prices for such fixed income securities.

Ottawa Valley Power

Will you please advise me as to the position of Ottawa Valley Power Bonds?

This situation surrounding Ottawa Valley Power Co. is obscure. Without the Ontario Hydro contract, the company is virtually bankrupt. The company has taken steps to enforce the repudiated contract and has won an important legal battle in the courts. The case has been appealed to the Privy Council; meanwhile the Ontario Government announced that it will pass supplementary legislation which will make the Hydro Commission legally free of the old contracts. In the event the company's contract with Ontario Hydro is enforceable, steps will be taken to pay off the accrued deferred interest. If the Ontario Government is successful in avoiding this step, the outlook for the bonds is not very encouraging.

Saint John Drydock

Will you be good enough to let me have your views on Saint John Drydock first mortgage bonds.

Saint John Drydock and Shipbuilding Co. first mortgage bonds are considered a high quality investment. The issue is secured not only by a first mortgage on the property, but by assignment of a Dominion subsidy, which is sufficient to pay interest and principal on the bonds.

Chemical Research

I hold Chemical Research shares I bought at high prices several years ago and would like to know what the new executive officers are doing about the company's situation.

We understand that new officials are making an intensive examination of the company's affairs and that they will be reporting to shareholders in the near future. We are informed the possibility of making some money for shareholders is better than has been indicated by the showings of recent years. We cannot give you precise details of plans of the new board, however, until they have prepared the proposals for reform of the company's situation.

Montreal Trams

Is Montreal Tramways Co. likely to pass its dividends?

Montreal Tramways common stock returns a high yield on the present market value. This is due to uncertainty over the political situation and the fact that revenues of the Tramways Commission have not been sufficient to pay all amounts owing to the company. Under the terms of the contract entered into between the company and the city of Montreal in 1918, the former was guaranteed a fixed return of 6% on its capital investment together with certain other charges. These payments were not fully met in 1934 and 1935, nor is it likely that the returns for 1936 will show them earned. There has been an agitation in Montreal aldermanic circles for a reduction in the payment to the company. A number of the aldermen favor reducing the 6% rate to a point which will permit the Commission to cover all its charges and, in addition, pay the city an annual rental of $500,000 which has been deferred for several years. Such a change would have to be approved by the Quebec legislature. So far the company has managed to show a sufficient income to cover the dividend on its common stock and there is no indication by the management of any change in its policy, but the political situation and the relatively low returns of the Commission, have combined to keep down the price of the stock.

Investors' Syndicate

Can you give me information on the nature of investment certificates sold by Investor's Syndicate? Is the company in sound financial condition?

Investor's Syndicate sells installment savings certificates somewhat similar to the investment portion of a life insurance policy. The cash surrender values of the certificates are small in the early stages, due to deduction of costs of selling, but the value grows rapidly in the later stages of the contract. Consequently, it is important for the investor in one of these certificates to be sure of his ability to maintain payments throughout the whole period. The company has satisfied Canadian authorities that its security for cash surrender values of certificates is good.

Canadian Vickers

I would like your comments on Canadian Vickers common stock for a hold of say one year.

Conditions surrounding Canadian Vickers have undergone an improvement and it is expected that the financial statement for the year ended Feb. 28, 1937, will show a further gain in earnings and strengthening of financial position. The company has a contingent liability in the guarantee of Montreal Drydocks first mortgage bonds, sinking fund of which is in arrears. The company's own bonds are in arrears, while at the beginning of next month cumulated dividends on the preferred stock will amount to $50.75 a share. At the end of 1936 fiscal year net working capital stood at $580,867. This amount includes $270,000 due from subscribers to capital stock which has been outstanding since 1929. From the forgoing you will see there is considerable room for improvement and while prospects are better for the company, the common stock is obviously distant from earnings.

Canada Biscuit

I hold a bond of Canada Biscuit Co. for $500 paying 6½% interest. I have had no information from the company for some years. Is there any future for this company and are they now in operation?

Canada Biscuit Co. has been reorganized and is now known as McCormick's Ltd. You should get in touch with the company and make arrangements to exchange your bond for new securities. Under the terms of the adopted plan you are entitled to $250 of 5½% first mortgage bonds, plus 5 shares of 6% noncumulative participating preferred stock.

Our information is that McCormick's expects to cover its prior lien bond charges and to be able to show a profit after depreciation in the 1936 fiscal year. Sales last year were ahead of the 1935 figures, which resulted in a loss of $87,211 after prior lien bond interest, bank interest, depreciation and carrying charges on non-operating units. There is no indication as to whether there will be any earnings available to apply on the 5½% first mortgage bonds, which are now on an income basis; the trust deed requires a net working capital exceeding $650,000 before such interest on the first mortgage bonds is payable, whether earned or not. At the close of 1935, the company had net working capital of $244,977.

Industrial Acceptance

Will you please let me have an opinion on Industrial Acceptance Corp. 4% convertible 15-year notes? This has been suggested to me as a sound investment.

Industrial Aceptance Corp. is one of the larger commercial finance companies operating in this country. It has a good record of management and while earnings naturally dropped off during the depression years, they have come back strongly. The volume of business handled has grown to such an extent of late that the company has found it advisable to raise additional capital in order to carry the larger amount of business. The convertivle notes are regarded as well secured and it is possible that the conversion privilege will have value.

Steel of Canada

Please let me know briefly how Steel Co. of Canada is getting along. Do you think the stock is too high priced?

Steel Co. of Canada operations have been satisfactory over the past year and the report for 1936 will likely show further increase in earnings. This is reflected, in part, by the recent action of the board in declaring a dividend of $2 on account of arrears on the common stock. On the basis of the present price, the yield on the stock is rather low, but this reflects the possibility of further occasional "extras" for the common.

Coupon Claim

I sold some Windsor Court Apartments bonds about two years ago with unpaid interest coupons attached. Now payment is being made on the Dec., 1932, coupon. Since I held the bonds in 1932 can I claim the payment?

Hardly. When you sold the bonds, interest was not being paid and you cannot claim for payments after you sold. Apparently you sold the bonds without accrued interest and the buyer is entitled to any subsequent payment on the old coupons which he acquired with the bonds, just as he is entitled to any increase in the price of the bonds after purchase.

Ottawa Traction

Please let me have a report on Ottawa Traction.

Ottawa Traction stock returns a high yield owing to limited earning power and uncertainty of dividend payments. From 1914 to 1928 company made a regular distribution of 4% and a 1% bonus, annually. No further payments were made until April, 1934, when the present rate of 2% per annum was instituted. Of late years the operating company's working capital position has not been altogether satisfactory, due to heavy expenditures on equipment. The renovation programme has been completed and no major expenditures are anticipated for the time being. An improvement in earning power, as in the case of other tramway systems, is dependent upon a return to normal employment conditions.

B. A. Oil

What is the current yield and dividend basis of British American Oil?

British American Oil paid a dividend of $1 a share from 1936 operations, showing a yield of well over 4% at current prices. This only includes a minor part of revenues being received by the company's American producing subsidiary. We understand these revenues are running well over $2 a share, but substantial deductions can be made from them for depletion, development and other expenses. However, the prospect seems to be that eventually shareholders should receive substantial dividend benefits from the company's recent pronounced successes in bringing new oil wells into production in the United States.

Silverwood's Earnings

I am not clear on the earnings of Silverwood's Dairies on the old and new capital set-ups. Will you please tell me what was earned on the preferred?

In the year ended March 28, 1936, Silverwood's had net profits after all charges of $101,654 available for the old 7% preferred. This was equivalent to $3.51 a share.

Under the present set-up, the net profits would not be quite the same because various debts have been funded in the new first mortgage and there would be some difference in tax provisions. Assuming the same net, however, provision would first have to be made for interest on the $1,450,000 of new 6% debentures. These, you may recall, were issued to the old preferred, $50 of debentures for each old $100 share. After deducting $87,000 for interest on these debentures, the remaining profit would be $14,654. This is equivalent to about 11 cents a share on the 145,000 shares of new preferred, which also went to holders of the old 7% stock.

It must be remembered that in calculating last year's earnings as applied to the present capital, the arithmetic is conditional upon fixed charges and taxes remaining unchanged when, in fact, they have been altered by the refinancing. The benefits for the new preferred from the resultant savings is not reflected in the 1936 statement. Dividends on the new preferred are cumulative at 40 cents a share annually, but payment is not likely to be considered until results for the year running to March 31, 1937, are available.

Gypsum Lime

I am considering purchasing stocks showing some chance of appreciation in value—for example, certain building stocks, such as Gypsum. I would like to have your opinion on this security.

Gypsum, Lime and Alabastine (Canada) should share in any improvement in the building trade in Canada. The company produces a wide range of rock products and, in normal times, earnings are fairly substantial. Conditions, of course, have not been very favorable to the company in recent years, but of late there has been a betterment which should restore earnings on the common stock before long. It might be pointed out that the sinking fund on the bonds is still in arrears and that this item will have to be cleaned up before anything is done on the common.

Scarborough Bonds

Will you please let me have some information in regard to Township of Scarborough bonds? Is there any prospect of an early settlement with bondholders? Have you any idea what the settlement will be?

The fiscal agents for Scarborough prepared a refunding plan and this has been submitted to the bondholder's protective committee. We understand the plan proposes that interest should be paid at the rate of 60% of the coupons and that the term of the debentures should be extended for six years. No cut in principal was contemplated. As yet, however, the bondholder's protective committee and the township council have been unable to reach an agreement. Relief expenditures in the township continue high and it is possible negotiations will have to be carried on for some time before an agreement can be reached. The fiscal agents desire that both the protective committee and the township council be in agreement before the plan is submitted to the Ontario Municipal Board. It is the hope of the bondholders committee that refunding be completed during 1937. The interests of bondholders will be protected to the fullest possible extent by the committee.

Massey-Harris Pfd.

Will you please give me details of arrears of dividends and call price for Massey-Harris preferred? Has the stock a reasonable prospect of dividends?

For the year ended Nov. 30, 1936, the company is unlikely to show a very large profit, but it appears certain that the loss at least will be substantially reduced. The arrears of dividends on the preferred amount to $30 a share. The preferred is callable at $125 a share. The large arrears and this unusual redemption price for the preferred gives holders a strong position in any reorganization proposals that may be made. No dividends can be paid on the preferred, however, until $2 millions of bonds have been redeemed.

If agricultural recovery continues, or even if only normal crops are reaped at present prices, the company could show substantial results for the preferred shares. Dividends, however, are not an immediate prospect.

Great Lakes Paper

What is the price of Great Lakes Paper common stock and where is it listed? Is there a prospect of dividends on the shares?

The quotation on Great Lakes Paper Co. common shares is approximately $12 bid, $13 asked per share. The stock is not listed on any exchange, but is traded fairly actively among dealers in unlisted securities in Toronto.

The new capitalization consists of $6 millions of 5% bonds, 100,000 class A preference shares, $100,000 class B preference shares and 100,000 class C common shares. Interest on the bonds is in arrears and will not be entirely cleaned up for two years. Meanwhile, arrears of dividends will accumulate on the preferred shares and this must be paid before the common shares stand to receive any income.

Fairchild Aircraft

Please advise me whether Fairchild Aircraft stock is reasonably safe from a speculative viewpoint and the possibility of future revenue?

Fairchild Aircraft has reported an increase in sales since 1932. In 1933 gross sales amounted to $122,000 and in 1935 $206,900. For the first 10 months of 1936 the total had advanced to $315,400. So far the company has not yet reached the point where it is able to show earnings available on the capital stock. From 1933 to 1935 the company had operating losses. For the first 10 months of 1936 there was a profit of $13,576 on operations, but a loss for the period of $9,213 after providing for experimental and development expenses and depreciation. The future of the airplane industry in this country is regarded in many quarters as being promising. Large profits are possible but it can hardly be said that investment in the industry at this time is "safe," judged by ordinary investment standards.

Newsprint Output in 1936 Breaks Previous Records

From Our Own Correspondent

MONTREAL. — Production of newsprint in Canada established a new record in 1936, when the output totalled 3,190,599 tons, according to a report prepared by the News Print Service Bureau. This represents an increase of 15.9% over 1935.

Other sections of the North American continent did not do so well. American mills turned out 921,408 tons, or 1% more than in the previous year.

The two mills in Newfoundland reported production of 327,869 tons, or 2.3% less than in 1935.

North American production of newsprint in 1936 was 4,439,876 tons, or 10.4% above the figure reported in the previous year and 45,000 tons more than in the previous record year of 1929.

Production in Canada last month amounted to 289,312 and shipments to 316,723 tons. The United States reported an output of 80,048 tons and shipments of 81,708 tons. During December 27,601 tons of newsprint were made in Newfoundland, so that the total North American production for the month amounted to 396,961 tons, compared with 348,139 tons in December, 1935.

Stocks of newsprint paper at Canadian mills were reported at 24,575 tons at the end of December and 14,328 tons at United States mills, making a combined total of 38,903 tons. This contrasts with 67,974 tons on November 30, 1936, and 40,327 tons on Dec. 31, 1935.

Rackets

"Ambulance Chasers"

PROFITABLE to Montreal racketeers have been their "ambulance chasing" operations from which the easy money fraternity has collected an estimated $100,000 a year. Ramifications of the racket were uncovered by officers of the Quebec attorney-general's department and legislation will probably be introduced into the Quebec legislature to curb the traffic.

According to complaints which led to an investigation, so-called "investigators" are said to have approached accident victims with offers to take charge of civil court actions against the company or individuals believed responsible. The proposal was that the "investigator" would receive a percentage of any damages or compensation collected. Minimum rate was about 25%.

Significant of the type of men engaged in the racket was the discovery that they succeeded in having a majority of the cases settled out of court, since few of those who were approached desired to risk incurring additional court costs. The result was that "ambulance chasing" dedeveloped into a mild form of blackmail.

Secret investigations by the Quebec attorney-general's department revealed a wide scope of "ambulance chasing." Similarly, an exhaustive enquiry was launched by the Council of the Bar of Montreal, and several attorneys suspected of complicity were called on to refute the accusation. The investigations resulted, however, in charges of "champerty and maintenance" against four "investigators," who, the attorney-general's department claims, were involved in the racket. Court hearings are pending in the case of these men.

Introduction of new legislation is expected to provide some measure of control over a condition that has caused increasing concern in Quebec legal circles. New laws will likely aim at curbing the practice of "settling out of court" under conditions which may actually have no legal or equitable basis. That phase of the racket has provided the richest hauls for racketeers and at the same time has inflicted injustice and hardship on victims too fearful to allow their cases to go to court and be judged on their merits.

STOCKS LISTED AND UNLISTED BONDS

Hambly, Peaker & Trent

Members
THE TORONTO STOCK EXCHANGE

613 DOMINION BANK BUILDING
TORONTO
Elgin 3294

Province of Ontario

3% Serial Debentures

Due January 15 each year as follows:

Year	Price	Yield
1953 to 1955	99.75	3.02%
1956 to 1959	99.50	3.03%
1960 to 1962	99.25	3.04%

DOMINION SECURITIES CORPORATION LIMITED

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CANADA'S GROWTH

Canada's greatness is the result of generations of growth. By safeguarding savings; by promoting confidence; by stimulating construction; by encouraging thrift, the Canada Permanent Mortgage Corporation has contributed to Canada's sturdy growth for more than 81 years.

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Mortgage loans on owners' homes at low rates of interest

Capital (Fully Paid), $2,000,000 — Reserve Fund, $2,400,000

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McCALLUM-HILL AND COMPANY, LIMITED, Regina, Sask.
J. K. RINGLAND & COMPANY, LIMITED, Herald Building, Lethbridge

As these securities have all been sold, this advertisement appears as a matter of record only.

NEW ISSUE

$700,000

Woods Manufacturing Company, Limited

Incorporated under the laws of the Dominion of Canada

First Mortgage Bonds, Series "A"

$440,000 Serial 3%, 3½% and 4% Bonds
$260,000 15-year Sinking Fund 4½% Bonds

To be dated January 2nd, 1937 — To mature January 1st, 1938-1947 and 1952

Trustee: The Royal Trust Company

In the opinion of Counsel these bonds will be of a class in which the Canadian and British Insurance Companies Act 1932 states that funds of Insurance Companies registered under the said Act may be invested.

Schedule of Maturities

Due January 1st	Principal Amount	Coupon
1938	$40,000	3%
1939	40,000	3%
1940	40,000	3%
1941	40,000	3%
1942	45,000	3½%
1943	45,000	3½%
1944	45,000	3½%
1945	45,000	3½%
1946	50,000	4%
1947	50,000	4%
1952	260,000	4½%

We offer these Bonds at the above-mentioned prices plus accrued interest, subject to prior disposal, if, as and when issued and accepted by us, and subject to the approval of Messrs. Blake, Lash, Anglin & Cassels, Counsel for the Company, and Messrs. Brown, Montgomery & McMichael, Counsel for ourselves.

It is expected that interim Bonds or Certificates will be available for delivery on or about January 22nd, 1937.

Price: 100 and accrued interest

A prospectus, a copy of which has been filed under the provisions of The Dominion Companies Act 1934 and amendments, will be promptly furnished upon request.

HANSON BROS.
INCORPORATED
Founded 1883

255 ST. JAMES STREET, MONTREAL, HArbour 9281
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56 SPARKS STREET, OTTAWA, Queen 8774

Many Details Still Lacking In Health Law

But Preparations Continue To Launch B. C. Legislation March 1

DOCTORS OPPOSED

From Our Own Correspondent

VANCOUVER. — British Columbia's health insurance scheme, the first of its kind to become operative on this continent, will be made effective March 1, but many of its workings remain obscure and probably will continue so for some time.

The scheme is applicable to those receiving an income of $1,800 a year or less, and it is expected that between 90,000 and 100,000 will be affected. They will contribute 2% of their wages toward the health fund, and their employees will provide one per cent, in addition to which there will be Provincial Government contributions.

Many Are Opposed

However, the scope of the insurance plan has been considerably modified since Hon. George M. Weir, Minister of Health, led his successful fight almost single-handed in the legislature to get the bill passed over strong opposition from medical men, industrialists and other interests who contended the scheme would be excessively costly and unworkable.

Probably by the end of this month Dr. Allon Peebles, chairman of the Health Insurance Commission, will be able to announce definitely the classes that may be covered by the insurance and what benefits they will receive. There will be a great many exemptions, although in a general way the benefits will cover all ordinary ailments except tuberculosis, venereal disease and a specific list of diseases to be revealed later. The extent of the hospitalization to be allowed has not yet been determined either.

Fees Not Settled

Another matter yet to be settled is the amount of compensation to be allowed medical men. There is a good deal of controversy on this point, and the commission may have some difficulty in reaching an agreement that will be satisfactory to all parties. The medical men's attitude has not been modified toward the scheme.

About 70% of those expected to come under the scheme have registered so far, the commision reports. No one can evade the scheme by failure to register, as collections will be made through employers for all persons who are eligible.

While March 1 has been set as the day for the act to become effective and for the commencement of payments, benefits will not become payable until four weeks later. These benefits are as follows:

1. Necessary services of a physician, including maternity care and surgical services.
2. Hospital ward care up to 10 weeks for any one illness.
3. Fifty per cent of the cost of necessary drugs, medicines and dressings.
4. Laboratory services and diagnostic aids, including X-rays.

May Name Doctor

Patients will have free choice of the doctors they wish to treat them, and this is one of the provisions that medical men oppose. It is feared that an excess of work at reduced fees will be piled on certain doctors who may find it impossible to give reasonable time to their regular patients.

Dr. E. L. Garner has been appointed director of medical services.

Prosecutions will shortly be launched against several employers who have failed to register in face of repeated notifications. Close to 1,000 employers have not reported.

Claim Experience Sets Fire Insurance Rates

Individual Hazards Are Considered by Underwriters

The Financial Post has obtained from three leading classes of insurers a brief summary of the methods by which they determine fire insurance rates. The information has been supplied by the Canadian Underwriters' Association, one of the representatives of Lloyd's of London, and a prominent mutual. Several "non-board" offices have declined to publish their rating methods, holding that it is of a confidential nature.

By Board Companies

In the early days of insurance it became evident that only by combining the knowledge and experience of as large a number of companies as possible could a fair distribution of charges be made.

This combined experience is especially necessary in order that the premiums collected might be so apportioned among various classes of risk as to make each pay as nearly as possible its fair share, and the combination of companies was needed so as to secure such common action as would provide that there was no discrimination between risks of essentially similar hazard. The latter feature led the Canadian Underwriters' Association to institute what is known as Schedule Rating, which provides such credits and charges as in the best judgment of underwriting experts are called for on the ground of particular merits and defects in individual risks.

Inspection Service

In the operation of schedule rating the fire protection service in a town is inspected and reported on by a qualified engineer, and mercantile and manufacturing risks are seen by an inspector of the association, the only exceptions being mercantile risks where there is no proper fire protective service.

In the rating of individual buildings it is first necessary to rate the town or city in which the building is situated, and to show the care with which this is done, the following details are all taken into account: Water supply; fire department; fire alarm system; police protection; building laws; electrical hazards; municipal by-laws regarding the storage and sale of explosives and inflammables; structural conditions as to fire breaks; street widths; climatic conditions; business conditions and fire record. On these varied conditions the city or "Basis" rate is named.

Rating Factors

Then in rating the individual building an inspection is made taking into consideration the construction and height of the walls, the interior finish, the floors, the area of the building, extensions of poorer construction, the floor openings such as elevator shafts and stairways, well holes, chutes and dumbwaiters, the skylights, the protection of iron columns and beams, the lighting and heating and the construction and care of the chimneys, the construction and composition of the roof, power, if any is used and the possible faults of management (good or bad housekeeping).

Then to the building rate a charge is made according to the combustibility and damageability of the contents.

The internal protection such as standpipe and hose, casks and pails, watchman and clock, is then taken into account and credit is given in the rate for these items.

The most effective form of internal protection is an automatic sprinkler system, the proper installation and constant supervision of which is most important. In this connection the Association maintain a staff of specially trained inspectors to assist property owners in the preparation of plans and specifications, supervision during installation, check of the completed work and subsequent inspections at intervals of a few months.

There is, therefore, nothing arbitrary about rate making and every rate depends entirely on the conditions the municipality or the property owner is able or willing to maintain. In other words, rates are in the hands of the public.

* * *

By Lloyd's

In discussing the question of insurance rates on any risk it must be remembered that Lloyd's of London is primarily an insurance market where risks are submitted for acceptance, and these are rated on their own merits. Before presenting a risk to an underwriter, a Lloyd's broker is supposed to have fully informed himself regarding the risk and be able to satisfy the underwriter on past record, construction, desirability of location and moral hazard. The broker may also suggest to underwriters a rate which he considers adequate.

Under the system of individual selection many syndicates have made consistent profits on lines which, when grouped and classified, show heavy loss ratios. Underwriters have found that individual selections in classifications showing excellent experience, can also have high loss ratios.

Selective Underwriting

An example of selective underwriting might be given in the case of two lumber mills, both of good construction. These ordinarily might carry the same rate, but a Lloyd's broker will be interested in discovering the life of the timber limits controlled by each mill. One mill can expect but three more years' profitable operation. The other may have limits assuring 30 years' profitable operation. The mill with very little future may be quoted a very high rate by Lloyd's, or be rejected entirely, while the mill with the long profitable life would be entitled to better treatment.

The moral hazard is extremely important to underwriters at Lloyd's, and while rate schedules based on the physical hazard are important, the moral hazard in any system of rate-setting should have a much greater influence than it has at present.

After all is said and done concerning rate-making, the fundamentals from an underwriting standpoint are construction, occupancy, moral hazard, loss experience, and local fire protection. The practical underwriter is not greatly interested in the details, but he does want to know if his risk is fireproof, of mill construction, or ordinary brick or frame, and he also wants to know about the other features indicated above.

Lloyd's have a very distinct advantage, owing to the underwriter at Lloyd's being not only the ratemaker but also his own underwriter. In other words, at Lloyd's the two go hand in hand.

* * *

By a Mutual

"This company began as a farm mutual, and has steadily accumulated knowledge from statistics on which we base our rates. These have no connection with tariff rates or the rates of any other company. They are entirely our own, worked out on a basis that is entirely different from that of any other company in Canada.

"As to other classes of business, one of our chief underwriters is a man who was formerly rating officer of the Underwriters' Association for 11 years and he naturally uses their basis of arriving at rates. However, we do not attempt to stick closely to such regulations because we find that they are not sufficiently elastic. Sometimes our rates are higher than the tariff rates, others may be very much lower, depending on what the inspection shows.

Suggest Improvements

"On inspection, we usually suggest certain improvements and base our rates on such improvements, whereas we understand that the Underwriters' Association usually rate it as it is. The reason we do this is because we think the best service we can render the public is to see as far as possible that they do not have a loss—that is why we offer a preferred rate for the risk when so improved.

"We also think that there are certain risks which are a menace to the community which should not receive insurance at all, and they are excluded. We think if all companies took this stand, including tariff companies, these people would be compelled to improve those risks and they would no longer menace the property of others."

CROWN DIRECTOR

Norman F. Wilson, who has been elected a director of Crown Life Insurance Co. Mr. Wilson is a director of W. C. Edwards & Co., Ottawa.

Good Group Year, For Confederation

Company Celebrates 10th Year With New Business of $6.4 Millions

A gain of over 40% in new group business written during 1936 is reported by Confederation Life Assoc. New business reported by the company was $6.4 millions, compared with $4.5 millions in 1935.

The company has now been writing group insurance for the past 10 years and reports 229 policies in force covering 29,000 lives with a total insurance in force of practically $32 millions.

Beatty Control First

The company's first group policy was written in March, 1927, on the firm of Beatty Brothers Ltd. of Fergus, Ont. When the policy went into force the amount of insurance was $349,500 on 321 lives. Today, the amount of insurance under this policy is $1.3 millions on 1,212 lives, an increase in amount of nearly 300%.

Many other original policies written by the company are reported to have developed in a similar manner. At the end of the company's first year in the group business it reported 10 life group policies in force amounting to $2,592,750.

The company entered the group pension field in 1929 and now reports 63 group pension contracts in force, under which retirement annuities are being purchased to a total amount of $1,990,000.

In 1930, group sickness and accident insurance was added with 56 policies now in force covering 5,800 employees for a total weekly benefit of $63,500.

Apology Sent To Wawanesa

Statements Injurious to Mutual Retracted by Agency

The Wawanesa Mutual Insurance Co. has received a public apology from those responsible for wide distribution of an anonymous letter throughout the Maritime Provinces last fall. The apology, which retracts statements made "with intent to reflect on the financial standing and good name" of the Wawanesa, emanates from a Saint John insurance agency, C. E. L. Jarvis & Son, Ltd.

The original letter read in part: "As the name implies, this company (Wawanesa) is a mutual insurance company, and, of course, is non-tariff, doing a combined mutual business and cash business. The Rimouski Fire Insurance Co. was a mutual doing business on a cash plan and also accepting premium notes from the policyholders. This company had a Dominion license, a satisfactory net surplus to policyholders, and was regarded at one time as Canada's leading non-tariff company.

Failure of Rimouski

"In 1914, or just a year after a satisfactory statement had been issued by the Dominion Government, the company failed, ceasing to pay any losses, or return premiums to policyholders. In other words, the policyholders were notified that they must reinsure their property without receiving any return from the Dominion Government, or the Rimouski Fire Insurance Co.

"The Wawanesa Mutual is licensed by the Dominion Government Department. There is no Government guarantee that in the event of the company getting into financial difficulties they will come to their assistance. Their business is written at a low premium and would not be attractive to a strong company to take over.

"The agents of the Wawanesa claim there is no assessment clause, but if the surplus is exhausted and there is no capital to fall back on, the policyholders may have to reinsure their property, as in the case of the Rimouski, and in the event of the company getting into financial difficulties, the policyholders may not only lose the premiums they have paid, but also be liable for their share of other policyholders' losses, as is the case with all mutual companies."

Admit Error

In reference to the Rimouski Insurance Co., which failed in 1914 with serious loss to policyholders, the apology reads: "We find this was an error. The Rimouski was at one time a mutual company, but not at the time of its failure. It was then a stock company."

"We are now informed," the apology continues, "and believe, that the Dominion Government charter of the Wawanesa specifies that no Wawanesa Mutual policyholder can be liable for one cent more than his premium. Further, we find that the Wawanesa Mutual offers a reward of $1,000 to anyone who can prove otherwise.

"We agree in future not to make any statements or publish or distribute any circulars or letters reflecting on the good name of the Wawanesa Mutual Insurance Co., but to state only the facts in regard to that company."

North American Life Has New Sales Plan

North American Life has announced the purchase from L. L. Montgomery of New York of the exclusive rights within Canada to his procedure of selling life insurance.

In commenting on this new service in its current agency bulletin the company says:

"The course is essentially a system of programming and estate analysis. Generally, it is to be regarded as senior training and will be available only to those with special qualifications. The company specially recommends it to its established producers as a means of increasing their production.

"After some months' experience with this system of selling it is now possible to appraise its value. Evidence has come from individual members of the field force that the procedure has enabled them to secure business where prior to adopting this procedure they would have been helpless. Ample evidence has been submitted by the men who have taken this training that they regard it as unique and as one of the best sales helps that has ever been made available to them."

Gains Reported By Great-West

An increase of 6% in placed business and a gain of $8.5 millions in business in force is reported by Great-West Life for 1936. Written business increased by 4%.

The Finberg brothers took first and second place among leading company producers with A. Finberg the leader and Z. W. Finberg in second place. The Winnipeg agency lead in volume of both placed and applied business with Minnesota in second position.

The company has announced a new production club for 1937 called the "President's Club." The new club is described as a revised version of the "Hundred Thousand Club" which it replaces. There are, however, important changes and additions.

For example, the new organization will have a special section composed of high producers — the Quarter Million Club — for those whose credits exceed $250,000. This section replaces the Premier Club which had a lower qualification limit.

The Independent Order of Foresters

Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, *Supreme Chief Ranger.* HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

Does your Fire Insurance PAY DIVIDENDS?

BRANCHES: Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Winnipeg, Saskatoon, Calgary, Edmonton, Kelowna, Victoria, Vancouver

Under the Northwestern Mutual plan, the annual surplus or profit is paid back to policyholders in the form of dividends. These amounted last year to $1,098,428. Ask our nearest office for particulars.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

Non-assessable Policies Assets $6,000,000

THE

MUTUAL LIFE

Assurance Company OF CANADA

Established 1869

67th Annual Statement Again Justifies Public Confidence

PROFIT AND LOSS ACCOUNT

for the year ending December 31st, 1936

Surplus Funds as at December 31st, 1935, consisting of:			
General Investment Reserve		$ 1,200,000.00	
Policy Reserve Adjustment Fund		600,000.00	
Free Surplus for Contingencies		4,714,915.56	
			$ 6,514,915.56
INCOME			
Premiums (net)	$17,950,183.34		
Interest and Rents (after provision for possible losses)	7,116,870.70		
Supplementary Contracts	2,994,307.40		
Profit and Appreciation on Ledger Assets	49,233.54		
		$28,110,594.98	
EXPENDITURES AND RESERVES			
Death and Disability Claims, Matured Endowments, Surrendered Policies, Supplementary Contracts, etc.	$12,646,133.81		
Increase in Actuarial Reserve and Amounts Left on Deposit	7,015,445.28		
Commissions, Taxes and General Expenses	3,338,346.76		
Loss and Depreciation on Ledger Assets	358,957.20		
Amount Written Off Head Office Premises	50,000.00		
		$23,408,883.05	
Surplus Earnings for Year		$ 4,701,711.93	
Special Charges:			
Specific Reserve against Loss of Principal on Mortgages and Sale Agreements	$ 92,415.64		
Staff Pensions	153,920.00		
		246,335.64	
Net Amount Transferred to Surplus Funds			$ 4,455,376.29
Total			$10,970,291.85
Deduct:			
Surplus Paid or Allotted to Policyholders			3,235,469.47
Surplus Funds as at December 31st, 1936, consisting of:			
General Investment Reserve		$ 2,000,000.00	
Policy Reserve Adjustment Fund		900,000.00	
Free Surplus for Contingencies		4,834,822.38	
			$ 7,734,822.38

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Outstanding Features of 1936 Statement

Insurance in force (excluding Annuities)
Increased by $10,523,101 to $537,895,287

Assets (all owned by the policyholders)
Increased by $8,475,050 to $161,106,207

Special Reserves and Surplus Funds
Increased by $1,200,861 to $13,753,903

Terminations decreased by 11%

Amount paid to Beneficiaries under death claims $3,500,000

Total paid to living Policyholders $10,500,000

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The 67th Annual Meeting of the Policyholders will be held on Thursday, February 4th, at 11 a.m., at the Head Office, Waterloo, Ontario.

R. O. McCULLOCH, President. W. H. SOMERVILLE, General Manager.

Confederation Life Forges Ahead

1936 a Year of Progressive Development Greater Strength, Increased Service

65th ANNUAL REPORT

Gives an Account of its Stewardship to Policyholders

Salient Features

Total Assurances in Force	$398,499,573
New Assurances Paid For in 1936, including Revivals	47,506,513
Total Net Income for Year	23,038,254
Net Gain in Assurances in Force in 1936	11,434,821
Paid to Living Policyholders during the Year 1936	9,517,011
Paid to Beneficiaries of Deceased Policyholders	2,966,085
Total Assets	112,945,505
Surplus Earned	3,180,646
Total Surplus	8,332,009
Total Unallotted Surplus (to meet future contingencies)	4,059,664

A copy of the Annual Report will be mailed upon request.

Confederation Life Association

Head Office - Toronto

The Wawanēsa Mutual Insurance Company

Canada's Largest Fire Mutual

A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.

Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.

FIRE, WINDSTORM, AUTO, CASUALTY

United States Fidelity & Guaranty Company TORONTO

Great Lakes Gets Limits; Plan Passes

Paper Firm's Bondholders To Get 5% Interest on Interest

TO IMPROVE PLANT

Position of Great Lakes Paper Co. has been clarified by allotment of timber limits by the Ontario Government and by consent of bondholders to deferment of bond interest coupons due Oct. 1, 1936, and April 1, 1937. These arrangements enable the company to go ahead with improvements to production facilities to reduce costs and to strengthen earning power.

Proposals to defer bond interest have been adopted by bondholders by a vote of $914,620 to $12,500 of bonds, with an amendment to pay interest on the deferred interest at rates equivalent to 5%.

On the coupon due Oct. 1, 1936, interest is to be paid on the interest at the rate of $2.20 for each $25 of coupons. And on the coupon due April 1, 1937, the additional interest is to be $2.80 for each $25 of coupons. Thus, the Oct. 1, 1936, coupon for $25 will become due July 2, 1938, for a total of $27.20. And the coupon due April 1, 1937, will be payable at $27.80 for $25 on July 2, 1939. Regular payments are to start Oct. 1, 1937.

Desirable Timber Limits

The Ontario Government has given assurance to the company that it will receive rights on timber limits as follows:

1. Black Sturgeon limits, considered among the best in Ontario, to cut all species of timber.
2. Limits on the west side of the Nipigon River adjoining the Black Sturgeon limits.
3. Hogan and Savanne limits and adjacent areas north and west of the company's mill at Fort William.

In rearranging its timber limits with the Government, the company gave up rights to valuable timber areas which it had never worked actively and on which carrying charges were heavy. The new limits are either adjacent to the mill or are readily workable at moderate costs and assure a satisfactory wood supply.

Improvement Plans

The company has already made arrangements for purchase of supplies and equipment for improvement of the properties involving over $200,000. By placing the orders in advance, a saving of some $20,000 was effected, it is understood, because of the subsequent rise of prices. The management has reduced costs and expects to reduce them further with the expenditures to be financed by deferment of bond interest.

Company officials are providing plant facilities to meet current newsprint conditions rather than expanding on a basis of maximum prosperity, it is understood. However, it is believed that an increase of over 10,000 tons, or more than 10% of production, may be effected by the most economical operation of present mill facilities. In view of rising demand for paper, it is expected that any additional production may be saleable at some premium over current contract prices.

While the company expects higher prices for newsprint to develop, officials are not anxious to see too rapid an increase lest the newsprint industry be overexpanded again to its detriment in times of depression.

Earnings now being realized are stated to be due almost entirely to reduction in costs which, in turn, has been attributable partly to capacity operations under the new management. At the bondholders' recent meeting, appreciation was expressed of the services of the new president, C. H. Carlisle, in the processes of managing the company and lowering costs.

Mutual's Officers Upheld In Premium Finance Case

Wisconsin courts have ruled that 19 officers and directors of the Hardware Dealers Mutual Fire Insurance Co., and the Hardware Mutual Casualty Insurance Co., are not guilty of conspiracy in operating a premium finance company set up in connection with the insurance company. The Hardware Dealers Mutual Fire Company operates in Canada through the Federal Hardware and Implement Mutuals.

Action was begun last summer by former employees of the company who charged that the defendants were using the facilities of the insurance company to operate Premium Finance Co., and profited illegally to the extent of $140,700.

Loss Ratio 26.5% For Hardware Companies

Underwriting experience of Federal Hardware & Implement Mutuals, Canadian underwriting agency for Hardware Mutual Fire Insurance Co. of Minnesota, Hardware Dealers Mutual Fire Insurance Co., and Minnesota Implement Mutual Fire Insurance Co., for 1936 is termed "exceptionally satisfactory." Loss ratio on Canadian business will be approximately 26.5%, with premium volume substantially unchanged from 1935 at about $700,000.

Dryden Paper Sales Higher in First Quarter

From Our Own Correspondent

MONTREAL.—Business of Dryden Paper Co. in the first quarter of the current fiscal year was better than for the corresponding period of 1935, according to a statement made by J. H. A. Acer, president, at the annual meeting of shareholders. The market for sulphate pulp, he said, is greatly improved and the company's venture into the grocery bag business last year has proved a success.

Shareholders re-elected the board with the addition of John S. Wilson, general manager.

More Coke Produced

The production of coke in the Maritime Provinces during the first 11 months of last year amounted to 698,894 tons, as compared with 659,018 tons in the same period of 1935.

Steamers Rushing Cargoes Of Edible Oil Into Canada

From Our Own Correspondent

SAINT JOHN.—The volume of edible oil now being imported via Saint John indicates that Canadian firms which use this commodity are storing up a huge reserve supply so they will not be caught unprepared in the eventuality of an upward revision of the tariff on it.

Increase in the duty on edible oil is now under consideration by the Tariff Board. Bitterly opposed by the Canadian Bakers' Association, it was applied for by the National Dairy Council and the inedible animal grease, fat and oil manufacturers of the Dominion.

Since the start of the winter shipping season few liners arriving here have not had edible oil among their cargo. Canadian Pacific Steamship officials announced that throughout the season all "Duchess" liners would bring edible oil. Other lines are also carrying their quota and some freighters are bringing in whole cargoes.

According to the Canadian Bakers' Association, the increase that has been requested in the duty on edible oil would, by increasing the price of shortening, close the doors of many bakers throughout Canada.

Bed Equipment

Thirty-five factories turning out beds, springs and mattresses in Ontario during 1935 employed an average of 621 persons at $564,005 in salaries and wages and recorded a gross production value of $2,250,540.

Walker Insurance Claim Cut $1 Million by Court

If insurance companies are held liable for compensation payable to Hiram Walker-Gooderham and Worts Ltd., as a result of the fire at the company's Peoria, Ill., distillery, the maximum amount to be allowed will be $2 millions instead of the $3 millions claimed in the original suit by Walker's.

Reduction of the amount is reported in a decision of Federal Judge John P. Barnes in Chicago, but it is dependent in any event on the liability of the insurance companies concerned. The company had claimed $2.5 millions for the contents of the building and $500,000 for the building itself, but the ruling of the federal judge means that the maximum claim for the contents of the building will be $1.5 million. The claim for the building itself, $500,000, is not affected.

Nesbitt-Thomson Finance Mine Promotion Enterprise

From Our Own Correspondent

MONTREAL.—Nesbitt, Thomson & Co. announce the sale of one million shares of Inspiration Mining and Development Co., at $1 a share. The company has issued two million of its authorized capital of three million shares.

Inspiration Mining is engaged principally in undertaking contracts for diamond drilling, shaft sinking and other mining activities. In addition it will finance prospectors, geologists and engineers in northwestern Quebec and other parts of Canada. The company will also be prepared to acquire, either by stake or by purchase, mining claims which merit preliminary development work with a view to proving up such claims.

At present the assets of the company, in addition to drilling equipment, consist of the following:

Ten per cent interest in Senore Gold Mines;

Quarter interest in 28 claims at Brush Lake, Chibougamau area. This property has been optioned to Chibmac Mines;

Ninety-five per cent interest in 30 claims at Gwillam Lake, Chibougamau area;

One-half interest in 30 claims at Father Lake in the Rose Lake area;

Half interest in 15 claims adjoining the Louvre Gold Mines, Loubicourt Township;

Complete ownership of two claims in the northeastern corner of Fournier Township, adjoining the Malartic Gold Fields;

An option on 2,000 acres in Barcouville Township; and

Ninety-five per cent interest in 15 claims in Chibougamau area.

Can. Investment Fund Boosts Stock Dividend

From Our Own Correspondent

MONTREAL.—Canadian Investment Fund has declared a quarterly dividend of 3½ cents, plus an additional dividend of 2½ cents a share, on the special and ordinary shares of the company, payable Feb. 1 to shareholders of record Jan. 15.

This quarterly dividend is two cents larger than the two previous quarterly payments and one and one-half cents larger than the Feb. 1, 1936, dividend. The additional amount declared at this time is accounted for largely by year-end extras and semi-annual dividends received from investments held.

Supersilk Pfd. Now 5% Issue

Shareholders of Supersilk Hosiery Mills, Ltd., London, have approved an exchange of the present 7% preferred stock into 5% preferred shares. The plan also provides for funding of arrears of preferred dividends of $17.50 per share by issue of arrears certificates.

The plan has been approved by the court, and the company intends to pay the 5% dividend on new preferred shares.

For several years, payments on the preferred have been $3.50 a share annually, half the full rate of $7 a share. This resulted in the accumulation of arrears which have now been funded.

THE BANK OF TORONTO EIGHTY-FIRST ANNUAL REPORT

Canadian Business Continues to Improve

Assets Show Nearly $9,000,000 Increase

Addresses of President, Mr. John R. Lamb, and General Manager Mr. H. B. Henwood to the shareholders.

Mr. John R. Lamb, President

Gentlemen:

Our Annual Meeting this year takes place under somewhat brighter conditions than those of several years past. The outlook, also, is generally good, with the exception of the ever-present possibility of international complications, which would change the situation entirely.

We have had nearly four years of fairly consistent recovery, with a gradual building-up of confidence in the future. People were slow to realize that the corner had been really turned. Now that this stage has been passed, there is an inclination to indulge in speculative activity. In the past two years stock-market values have nearly doubled, part of the rise being purely in the expectation of future earnings. Meanwhile, over ten per cent. of our workers are unemployed, and some important phases of business, notably real estate and building, have so far remained inactive. Obviously we have not yet achieved the balanced all-around activity which is needed to provide real prosperity. It is therefore necessary that we leaven the favorable news and rumours of the day with some thought about what remains to be done.

International events, and particularly the recurring possibility of a major war, at first over the Ethiopian and later over the Spanish situation, were a cloud on business during the year and interfered with plans for expansion. The political and economic situation in the Old World can scarcely be said to be showing much, if any, improvement even now, and as a part of the British Empire we can hardly be so detached in our view as our powerful and independent neighbor to the South, whose lead in economic matters we have a tendency to follow. We, however, have tried to make the best of circumstances from day to day, and will continue to do so, but only as the world moves away from this constant threat of major wars, if this ever happens, will we feel the confidence and security so important to the development of our wide areas and great resources.

In the midst of this political uncertainty there has been some progress in trade relations. The total foreign trade of Canada increased from 1,378 millions in the twelve months ended November, 1935, to 1,628 millions in the period ending a year later, imports rising from 562 millions to 634 millions, and exports from 816 millions to 994 millions. The specially large gain in the value of exports has been due, in part, to the using up of surplus stocks of some of the basic commodities, the resulting rise in the price of which has been of much benefit to Canada. While partly offset by the increase in imports, there remains the unusually large "favourable" balance of 360 millions for the past year. This is not far from a normal condition for Canada, in view of the heavy investment of outside capital in this country, the annual earnings on which must be covered by commodity exports unless the debt is to be further increased. In these days a narrow view is being taken of international credit, and this cannot be criticized in the light of recent events. Trade, consequently, is largely on the basis of barter, with a few leading currencies serving as media of exchange and for short-term credits.

Coupled with this improvement in our external trade, there has been expansion in domestic business. Growth in buying power is cumulative in its influence, and we have benefited from improvement in the three previous years. Crops in 1936 suffered severely from heat and drought in parts of Ontario and the prairies and in a large section of the United States, but the net result has been such a rise in prices as to increase the buying power of farmers as a whole in Canada.

The lumber industry has come back strongly, providing employment and healthy activity in many communities. This has extended to newsprint, some plants being at or near capacity, with the price situation nearing the point where advances may be made.

The mines continue in the forefront of development. New gold properties have widened our frontiers of settlement in several directions, while demand for base metals has recovered to levels which encourage production and exploration.

In manufacturing there has been widespread recovery due to accumulation of demand from both export and domestic sources.

Construction is practically the one industry which seriously lags behind the general recovery. There is perhaps little which can be profitably said with respect to the building industry. Houses are needed, but the industry cannot go ahead becaue it is not on an economic basis. Costs and carrying charges are too high. No doubt an absolute dearth of housing will, in time, bring about some readjustment. In the meantime, progress will probably be disappointing.

Looking around us at this time, we are inclined to ask ourselves what are the difficulties still in the way of full and sustained recovery? We would name them in the following order:—

1. Our heavy public debts with consequent onerous taxation;
2. The cost of Government, for which the wide extent of the areas within our borders is partly responsible;
3. A population relatively small in proportion to territory occupied;
4. Our annually recurring railway deficit.

We should name, also, trade barriers in the form of import duties, quotas, and depreciated currencies, which are still so considerable as to make it impossible for foreign trade to reach the level which is needed for a full measure of prosperity in Canada. These difficulties cannot be overcome in a month or a year, but with unity of purpose and strict economy in public expenditures we may look forward to gradual improvement.

As to the more distant future, we must expect reactions somewhat similiar to those which have occurred in the past, but with shortages to be made up in so many lines we can reasonably look to a few years of comparative activity. Easing of trade barriers can help a lot in that direction. Another factor is the additional reserve of credit that has been made available through the reduction in the gold equivalent of the dollar. The significance of this is gradually becoming apparent in the rapid advance in commodity prices, accompanied by forward buying. It appears that from now on the real problem will be to keep activity within healthy and constructive channels, rather than have the movement dissipated in a boom based on artificial conditions.

Turning now to our own business of banking: If the Banks are not the first to feel the blight of a depression, they are certainly among the last to experience the benefits of recovery. Those of you who follow banking figures published each month through the Government, will have observed that commercial loans, which constitute the principal source of bank earnings, again show a decrease of 164 millions or 19% for the year ending 30th November last. Deposits by the public in Canada have increased by 139 millions, and securities are up by 179 millions to 1,316 millions, an increase of 836 millions since 1926, and still rising. These figures cause us seriously to think, and to ask ourselves when and at what cost we may get back to a position where the proportion of our funds invested in this form is in more reasonable ratio to deposit liabilities.

Our own commercial advances are down 12 millions. This reduction is due almost entirely to smaller advances against grain, both to the Wheat Board, and to the Trade against the current year's operations; in fact, our grain advances have not been so small for many years, but liquidation of the wheat carryover and the brisk demand for the 1936 crop are sound movements and are welcomed by the Banks, although in the meantime advances are very substantially reduced for ourselves as well as for other banks.

We are glad to see indications that the trend in commercial loans is changing. In the later months of 1936 substantial increases were reported, and we fully expect to see further gradual increases during the current year, reflecting forward buying of raw materials and higher commodity prices.

You will see that our profits for the year have been satisfactory. I will not allude further to the figures, as the General Manager will deal with that subject.

I do wish to refer to the load of Dominion, Provincial and Municipal taxes borne by the banks, which in our case amounted to $8.57 for every share of stock outstanding, or nearly as much as the dividend payments.

Our profits, after depreciation of bank premises, amounted to 6.39 per cent. on shareholders' total equity, which can hardly be regarded as excessive for a common stock carrying a double liability.

Banks do not object to paying their share of taxes, but we are subject to special levies which cannot be justified except on the ground that bank investments are more profitable than the average earned by corporations engaged in other classes of business. Actually, the contrary is the case.

The number of our shareholders on the 15th of November last was 1,339, and the average holding slightly less than 45 shares. We cannot, therefore, be regarded as an organization of big capitalists, but rather as one in which capital is brought together from persons of moderate means, for purposes of administration.

Before concluding I have to refer, with great regret, to the passing during the year of Mr. Thomas F. How, formerly General Manager and a Director of this Bank. Mr. How's connection with the institution extended over 60 years, and he was at all times a competent and faithful officer.

We have also to note the resignation from the Board of Mr. A. H. Campbell whose condition of health recently has been unsatisfactory, and he desired, in consequence, to be relieved of the responsibility of office. Mr. Campbell served on the Board for over 20 years, and we shall greatly miss his presence at our meetings.

I take the opportunity, also, of introducing a recent appointee to our Board in the person of Mr. Harry J. Carmichael, Vice-President and General Manager of the General Motors of Canada, Limited, who was recently elected to replace the late Mr. Thomas F. How. We have had an acquaintance with Mr. Carmichael extending over many years. He is a first-class executive, and we are confident will prove an important acquisition to the Board.

Mr. H. B. Henwood, General Manager

Mr. Chairman and Gentlemen:

I have the honour to place before you the eighty-first annual balance sheet of the Bank covering our operations for the year ending November 30th last.

Our net profits for the year—$1,141,810.74, are $335,418.87 over the amount reported in our annual statement of the previous year. While it has again been necessary to make appropriations for possible losses on loans and for contingencies, on the other hand we have been fortunate in making recoveries of accounts previously written off and as a result of our past policy of creating reserves we were able to charge a portion of the appropriations referred to against such reserves. It is of course, impossible to forecast the future because Canadian problems are still difficult but we are hopeful that the earnings of the Bank in the immediate future will not be subjected to such heavy charges for losses as has been the experience during the last five years of severe depression.

After writing off from these earnings $100,000. against our bank premises and paying the annual dividend of $600,000., there remains a balance of $441,810.74 to add to our previous balance in profit and loss account, bringing the total up to $1,285,375.93 which is carried forward into the new year. The principal changes in our balance sheet are as follows:

During the year our total assets have increased from $126,918,925. to $135,907,303.—a difference of $8,988,378., practically equivalent to our gain in deposits. Of this total, $92,435,472. or 77.37 per cent. of our liabilities to the public, consist of cash or of assets readily convertible into cash.

Loans and Discounts—$37,554,931., are down for the year $12,568,386., mainly accounted for by the reduction of western grain loans coincident with the liquidation of 140 million bushels of our exportable wheat surplus for the year ending November 30, 1936. This heavy reduction in loans and discounts has necessitated an increasing use of our funds in security investments, which at the end of the year amounted to $61,216,737., an increase for the year of $13,274,553., a very large percentage of which consists of government and municipal securities of short-date maturity. During the later months of the year there was a gradual increase in the demand for commercial funds, which we believe will continue, and we are hopeful that during 1937 we shall see a reduction in the large proportion of our funds invested in securities.

Bank Premises: There is practically no change in the position of our bank premises account, the write-off of $100,000 being sufficient to take care of such expenditures as we have made during the year.

Notes in Circulation—$4,237,915., show a decrease of $1,042,000. during the year in conformity with the legislation which again reduces the limit of our notes which we may circulate this year to $5,400,000.

Deposits—$110,045,103., have increase during the year by $8,779,623., a somewhat larger increase than we had a year ago. We have found it extremely difficult to use these funds with profit to ourselves. It is however, one of the main functions of banking to give the bank's protection to the funds of depositors, and we are always glad to do this.

Branches: At the end of our year we we were operating 174 branches, one branch having been opened and four closed during the year. Every branch of the Bank has been inspected by our inspection staff during the year, and we have had the usual audit of cash, securities and loans at our main offices in Toronto, Montreal, Winnipeg and Vancouver by our shareholders' auditors.

The public and the banks. The recent appointment of Mr. Vernon Knowles as public relations adviser by the Canadian Bankers' Association will we believe, in time help to bring about on the part of the public a clearer and better understanding of the services which the banks are endeavouring to render. I fear bankers have in the past assumed that the public, like themselves, were familiar with the functions of banking and have failed to give sufficient information on the subject and the limitations imposed on the banks by the provisions of the Canadian Bank Act under which we operate.

General business conditions. There was a definite improvement in business generally during the year 1936. We are of the opinion that this improvement will continue during 1937, and it is our hope and expectation that when the year ends, the Canadian picture generally—both from a government and business point of view, will have made some further advance towards the more favourable condition which is so necessary to our continued prosperity.

THE BANK OF TORONTO

Eighty-first Annual General Report

30th November, 1936

PROFIT AND LOSS ACCOUNT

Profits for the year ending 30th November, 1936, after providing for		
Dominion and Provincial Taxes	$251,835.84	
Staff Pension Fund	80,000.00	
and making appropriations to contingent accounts, out of which accounts full provision for bad and doubtful debts has been made		$ 1,141,810.74
Written off Bank Premises		100,000.00
		1,041,810.74
Dividends at the rate of 10% per annum		600,000.00
Balance of Profits carried forward		441,810.74
Profit and Loss Balance 30th November, 1935		843,565.19
Profit and Loss Balance 30th November, 1936		1,285,375.93

EIGHTY-FIRST ANNUAL BALANCE SHEET

30th November, 1936

LIABILITIES

Notes in Circulation		$ 4,237,915.00
Deposits by and balances due to Dominion Government	$ 263,222.15	
Deposits by and balances due to Provincial Governments	1,278,349.81	
Deposits by the public not bearing interest	30,281,565.78	
Deposits by the public bearing interest, including interest accrued to date of statement	78,221,965.71	
		110,045,103.45
Deposits by and balances due to other chartered banks in Canada	991,250.71	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and Foreign Countries	1,759,445.59	
		2,750,696.30
Bills payable		416,500.00
Acceptances and Letters of Credit outstanding		2,021,199.82
		119,471,414.57
Capital paid up	6,000,000.00	
Rest	9,000,000.00	
Dividends declared and unpaid	150,513.24	
Balance of profits as per Profit and Loss Account	1,285,375.93	
		16,435,889.17
		$135,907,303.74

ASSETS

Gold held in Canada	$ 792.68	
Subsidiary coin held in Canada	213,040.42	
Notes of Bank of Canada	1,929,778.00	
Deposits with Bank of Canada	11,927,295.15	
Notes of other chartered banks	416,125.00	
Government and bank notes other than Canadian	76,670.28	
Cheques on other banks	7,551,455.54	
Due by banks and banking correspondents elsewhere than in Canada	3,020,296.32	
		$ 25,135,453.39
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	5,714,556.64	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	43,492,223.17	
Canadian Municipal Securities, not exceeding market value	7,201,556.17	
Public Securities other than Canadian, not exceeding market value	1,050,964.97	
Other Bonds, Debentures and Stocks, not exceeding market value	3,757,436.40	
	61,216,737.35	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	6,083,281.32	
		67,300,018.67
		92,435,472.06
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	32,761,495.74	
Loans to cities, towns, municipalities and school districts	4,535,071.98	
Non-Current Loans, estimated loss provided for	258,363.94	
		37,554,931.66
		129,990,403.72
Liabilities of Customers under acceptances and Letters of Credit, as per contra		2,021,199.82
Mortgages on Real Estate sold by the Bank		44,990.11
Bank Premises, at not more than cost, less amounts written off		3,501,285.69
Deposit with the Minister of Finance for the security of the note circulation		349,424.40
		$135,907,303.74

JOHN R. LAMB,
President

HARVEY B. HENWOOD,
General Manager

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of the Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of liabilities and assets as at the 30th November, 1936, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

D. McK. McClelland, F.C.A.
of Price, Waterhouse & Co.
W. D. Glendinning, C.A.
of Glendinning, Gray & Roberts

Toronto, 21st December, 1936.

Bank Chat

IN HIS address to Royal Bank shareholders, General Manager S. G. Dobson stressed a factor in the commercial loan picture which is apt to be overlooked. True, most of the banks, when referring to the decline in this item over 1936, stated that it was due in considerable measure to liquidation of grain advances and to repayment of some large industrial loans.

The Royal's executive, however, was much more specific. He stated that sale of surplus stocks of wheat held under government control was the chief factor in repayment of Wheat Board loans amounting to $33 millions. Repayment of $10 millions by the Canadian Pacific Railway brought the total from these two sources to $43 millions, or more than the net decline in all commercial borrowings.

In other words, if the Royal may be taken as a criterion, ordinary business enterprise actually borrowed slightly more in 1936 than in the previous year.

* * *

Loan Profits

THE importance of commercial loans to bank profits was emphasized recently by a former general manager of one of the banks. His point was illustrated very neatly by an estimate of the relation of lending profits to profits as a whole.

Over a five-year period, earnings of the Canadian banks have averaged some $14.1 millions. Taking shareholders' investment as capital and reserve, this represents an average yield, on the par value of bank stock, of 4.88%. Now, if interest rates on all loans were reduced by only ½ of 1%, average profits would have been cut to $9 millions, or a return to shareholders of 3.11%. If rates had been cut 1%, the yield would have been only 1.34%.

In other words, this banker estimates that if average loan rates had been reduced to a level 1½% under their average for the last five years, there would have been a negative return on shareholders' investment.

* * *

Orillia Scrip

ORILLIA'S plan has gone the way of all scrip experiments. This latest scheme furnishes still another illustration that any kind of money is "good" only as long as people have faith in it. When some incident occurs which shakes public confidence, substitutes for real currency simply fade away.

The blow-off in the Orillia experiment came when the politicians who were instrumental in its introduction refused to accept scrip in payment of their honorariums. Suspicions had already been aroused by non-acceptance of scrip by the town in payment of taxes, and by leading utilities such as the Water, Light and Power Commission.

The plan provided that scrip issued in any one month could be redeemed only on the first of the following month, and then at a discount of 1%. Bankers were willing to accept it during the month of issue at 98 cents on the dollar.

* * *

Boomerang Money

ISSUED only to relief recipients, the purpose of the Orillia scrip was avowedly to promote freer circulation of goods and services. At first it appeared that this might temporarily be achieved. Grocery, butcher, clothing and similar shops were willing to accept the paper money. Theatres took it in considerable quantity. Even beer parlors were stocked up with scrip.

Unfortunately, wholesalers absolutely refused to accept it on account. As a consequence, the retailer was left holding the bag. He could not circulate the scrip, and was forced to choose between discounting it at a loss of 2% or holding it until the following month. Hence, scrip actually hindered rather than achieved the purpose for which it was issued.

ASSISTANT "G. M.'s"

S. M. Wedd, top, and James Stewart, who were recently appointed assistant general managers of the Canadian Bank of Commerce. Mr. Wedd joined the bank in 1905, and following extensive experience in Ontario and Quebec, was promoted to assistant inspector at head office in 1920. Three years later, he became assistant manager at Sherbrooke and in 1925 inspector at head office. He was appointed chief inspector in 1928.

Mr. Stewart's connection with the Commerce dates from 1914. He was employed in a number of branches in Quebec and in the superintendent's department until appointed an assistant inspector in 1926. The following year he was transferred to Mexico City, where he was promoted to manager in 1931. He was recalled to head office in 1934.

Staff Changes

The Bank of Nova Scotia has made the following changes in staff:

A. A. ARMSTRONG to be an inspector.

F. BELL to be an inspector.

C. H. CAMERON to be an assistant inspector.

F. W. NICKS to be an assistant inspector.

H. W. STEPHENS to be an assistant inspector.

A. T. F. COBB to be manager at Carp, Ont.

R. V. HICKSON to be manager at Bath, N.B.

D. C. HOLLAND to be manager at Kennetcook, N.S.

E. F. PARKE to be manager at Christiana, Ja.

C. E. TANNER to be assistant manager at Manzanillo, Cuba.

J. M. GUTIERREZ to be accountant at Manzanillo, Cuba.

Sarnia, Ont., reports that collections of current taxes and arrears during 1936 amounted to $756,490, an increase of $7,887 over 1935. Collections of current taxes in 1936 were equivalent to 77.3% of the levy, compared with 74.2% in 1935 and 70.9% in 1930.

Bank of Canada Weekly Statement

Major change in the Bank of Canada statement for the week ended Jan. 13 was a decline of $3.7 millions in note circulation. This is taken to represent more or less normal reaction from the seasonally increased year-end total.

Balance Sheet

Liabilities	Jan. 13 $	Jan. 6 $
Capital paid-up ...	10,100,000	10,100,000
Notes in circ.	134,155,209	134,801,689
Rest fund	173,092	173,092
Dep.: Dominion ...	19,121,841	20,059,643
Banks	188,845,643	187,234,603
Other	2,190,901	2,366,995
Total deposits	210,158,385	209,661,241
All other liabs.	2,790,239	3,147,633
Total liabs.	354,376,925	357,883,656
Assets		
Reserve: Gold	179,423,005	179,356,013
Silver bullion	2,257,031	2,257,031
Res. in sterling and U. S.	9,599,212	9,382,640
Total reserve	191,279,248	190,995,684
Subsidiary coin	173,857	151,500
Investments:		
Dom. Govt. short	61,532,561	63,143,366
Other Dom. Govt.	98,092,977	98,593,208
Total invest.	159,625,538	161,736,574
Premises	350,819	350,820
All other assets	2,947,463	4,649,078
Total assets	354,376,925	357,883,656
Reserve ratio	56.04%	55.44%

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, to Jan. 9.

Argentina.—Year-end reports reflect a steady improvement in basic economic and financial conditions during 1936, with prospects promising for 1937.

Brazil.—Agricultural and industrial production continued to expand throughout 1936, consolidating gains in earlier years.

Bolivia.—Inability to increase tin production is preventing higher prices and affecting general economic improvement.

Venezuela.—The petroleum workers' strike in the Maracaibo basin reduced activities in that area, but did not affect operations in eastern Venezuela.

Mexico.—A distinctly optimistic atitude is discernible in business circles, despite elements of uncertainty.

Cuba.—The business upturn persisted through most of December, with Christmas trade 25% above 1935, but the political crisis retarded business at the end of December.

Peru—The stimulus of a good cotton crop at favorable prices, expanding industrial activity and relatively steady exchange strengthened business conditions throughout the past year.

Ecuador.—Seasonal business was below normal at the end of the year, but higher cacao prices slightly lessened business pessimism.

Columbia. — The heightening of purchasing power, owing to a good coffee crop at fair prices, together with other favorable factors has improved the general situation.

Central America.—Conditions have tended to improve in most of the countries in this area, although a number of adverse elements persist.

Germany.—Industry is maintainits activity but with increasing difficulty, owing to scarcity of raw materials and skilled labor.

France—Further recuperation occurred during November and the unemployment problem has been eased.

Italy.—Prospects are fair, despite a partial failure of the wheat crop, and general business and export trade are improved.

Netherlands.—Business improvement gained further momentum toward the end of 1936.

Irish Free State.—Conditions are unchanged except for improved retail business in seasonal and holiday merchandise.

Japan.—Holiday trade was somewhat under the previous year, owing largely to higher prices.

China. — A National Foodstuffs Distribution Bureau has been opened in Shanghai to prevent shortages and equalize prices.

India.—Export and import activity were well sustained during November.

New Zealand.—Further improvement occurred, owing to holiday buying and improved wool values.

Dom. Bank Profits Are Up For Past Year

Increase in Earnings Is Coupled With High Liquid Ratio

Net profits equivalent to $12.52 a share, compared with $11.81 in the previous year, are reported by The Dominion Bank for the financial year ended Dec. 31, 1936.

In line with the experience recorded by banks which have already issued their statements, the Dominion couples with the moderate increase in earnings, exceptionally strong liquid position. Liquid assets at $93.4 millions are equal to 77% of all liabilities to the public.

After provision for taxes, which show a reduction of $26,000 in 1936, and for pension fund, profits for the year are shown at $876,278, compared with $826,556 in 1935. Dividends account for $700,000 and increased appropriation for building write-offs a further $100,000, so that surplus for the year stands at $76,278.

Comparative figures of operating results are as follows:

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Net earnings	1,153,526	1,130,053
Less: Dom. & prov. taxes	202,248	228,497
Pension fund	75,000	75,000
Net profit	876,278	826,556
Less: Dividends	700,000	700,000
W/o premises	100,000	75,000
Surplus for year	76,278	51,556
Add: Prev. surplus ..	592,699	541,143
Balance forward	668,977	592,699

The balance sheet reflects continuance of the trend of funds from commercial loans into investments. Current loans in Canada declined by $11.1 millions during the year to $34.1 millions, due principally to liquidation of grain advances. Call loans, on the other hand, increased by almost $4.7 millions, showing the effect of more active security markets.

Most of the rise in security holdings was in Government issues with more than two-year maturities, these accounting for $11.6 millions of a total increase of $12 millions. Foreign public security holdings were liquidated during the year.

Cash Stronger

The marked rise in the percentage of liquid assets to public liabilities from 65% to 77% is largely attributable, of course, to the increase in investments and call loans. Cash position is also stronger, however, with deposits with The Bank of Canada showing the most substantial gain.

Total deposits show a net increase of $6.5 millions, the amount by which the advance in non-interest-bearing deposits exceeded a substantial drop in those on which interest is paid and a relatively smaller decline in Government balances. The changes in public deposits reflect the elimination of interest on current accounts during the year.

Giving effect to the provisions of the revised Bank Act, following establishment of the central bank, note issue was reduced from $5.9 millions to less than $5.6 millions.

General Statement
As at Dec. 31

Assets	1936 $	1935 $
Gold in Canada	589	534
Subsid. coin in Can.	235,288	262,722
Gold elsewhere	113	114
Subsid. coin elsewhere	662	660
Notes of Bk. of Can.	2,663,056	2,271,569
Dep. with Bk. of Canada	12,686,962	9,931,530
	15,586,670	12,467,129
Notes of other banks	340,040	439,900
Cheques on other banks	8,738,755	9,154,475
Foreign currency ..	92,264	88,180
Due by bks. abroad	1,531,804	2,756,278
Call loans in Canada	9,881,121	7,256,258
Call loans elsewhere	5,309,169	3,282,068
	25,893,153	22,977,159
Government securities:*		
Maturing in 2 yrs.	12,423,436	11,842,691
Others	29,909,689	18,330,775
Can. munic. secs.* ..	5,204,605	5,058,149
Pub. secs., foreign*	......	1,250,827
Other securities* ...	4,001,172	3,033,638
	51,538,902	39,516,080
Total quick assets ..	93,018,725	74,960,368
Curr. loans & discts.:		
In Canada	34,096,397	45,209,590
Munic. & sch. dist.	1,873,790	2,830,264
Elsewhere	262,897	219,564
Non-current loans .	340,281	361,107
	36,573,365	48,620,525
Bank premises	5,760,000	5,855,000
Other real estate ..	87,326	85,068
Mtges. on real estate	33,493	37,209
Letters of credit ...	2,942,096	4,022,279
Deposit re circ. fund	345,100	345,074
Other assets	191,282	198,283
	9,364,297	10,542,913
	138,956,386	134,123,806
Liabilities		
To the Public		
Circulation	5,570,702	5,902,232
Dep. by & bal. due to:		
Dominion govt....	270,897	357,913
Provincial govts...	611,650	1,047,883
Deposits by public:		
Non-int. bearing .	32,977,965	21,084,857
Int. bearing	78,617,908	83,446,559
To banks in Canada	1,661,829	2,477,141
To foreign banks .	1,118,462	664,815
Letters of credit ...	2,942,096	4,022,279
Other liabilities	340,073	351,944
	124,111,602	119,356,623
To the Shareholders		
Dividend payable ..	175,000	175,000
Unclaimed divds. ..	807	484
Reserve fund	7,000,000	7,000,000
Capital stk. paid-up	7,000,000	7,000,000
Surplus	668,977	592,699
	14,844,784	14,768,183
	138,956,386	134,123,806

*Not exceeding market value.

Weekly Bank Clearings

	Jan 14 1937 $	Change year ago %	Jan. 7 1937 $
Halifax	2,512,900	+9.9	3,099,237
Saint John ..	1,931,155	+40.9	2,109,369
Moncton	831,638	+42.2	743,219
Sherbrooke .	615,662	+19.8	545,832
Quebec	4,932,417	+45.8	4,122,149
Montreal	119,342,270	+26.9	106,555,451
Ottawa	16,968,925	+9.1	24,589,717
Peterborough	562,664	—4.2	783,496
Toronto	139,331,863	+18.5	143,606,354
Hamilton ...	4,428,392	+0.9	5,358,696
Kitchener ...	987,049	+6.3	1,163,892
Brantford ...	971,346	+32.2	1,081,078
London	2,776,384	+16.9	3,324,791
Windsor	2,793,911	+12.0	2,924,592
Chatham	559,772	+35.6	679,021
Kingston	523,726	+6.2	622,005
Sarnia	445,760	+8.1	673,356
Sudbury	1,041,808	+30.2	835,895
Fort William	837,713	+73.0	726,285
Winnipeg ...	32,855,557	—54.4	40,939,268
Brandon	236,268	+4.4	397,414
Regina	2,926,114	+21.0	3,363,018
Moose Jaw ..	491,355	+19.6	740,039
Saskatoon ...	1,345,197	+11.8	1,593,018
Prince Albert	307,769	+2.7	398,723
Edmonton ...	3,818,518	+4.0	4,063,011
Calgary	5,457,211	+9.4	5,585,457
Medicine Hat	181,054	+6.4	275,251
Lethbridge .	356,100	—17.9	379,743
N. W'minster	565,790	+11.0	612,616
Vancouver ..	19,289,250	+15.8	20,426,900
Victoria	1,736,148	+13.2	1,715,616

Insurance Inklings

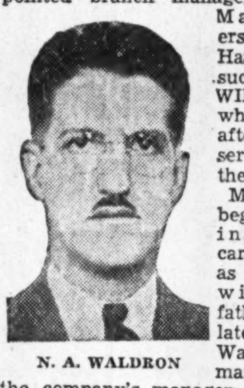
V. R. SMITH, general manager, Confederation Life, Toronto, has been appointed chairman of the Total and Permanent Disability Committee of the American Life Convention. Other Canadians appointed to convention committees include, G. W. BOURKE, actuary, Sun Life, Montreal, appointed a member of the Actuarial Committee, and H. W. MANNING, assistant general manager, Great-West Life, appointed to the agents and agency committee.

* * *

J. S. HATCHER and H. O. ANDERSON have been appointed joint branch managers for North Dakota by Great-West Life. Mr Hatcher is the surviving partner of the Hatcher Agency which first represented the company in that state in 1909. He will continue to reside at Grand Fort. Mr. Anderson, formerly district manager for the company at Detroit Lake, Minnesota, will reside at Fargo.

* * *

N. A. WALDRON has been appointed branch manager for the Manufacturers Life in Hamilton to succeed P. A. WINTEMUTE who retired after 30 years service with the company. Mr. Waldron began his life insurance career in 1923 as sub-agent with his father the late L. W. Waldron (for many years the company's manager in Hamilton). Since 1933 he has been assistant branch manager.



N. A. WALDRON

* * *

MR. WINTEMUTE joined the Manufacturers as an underwriter in rural Saskatchewan in 1906 and was appointed inspector for Southern Saskatchewan two years later and branch manager at Calgary in 1911. In 1923 he became manager at Winnipeg and in 1929 returned to Ontario as branch manager at Hamilton.

* * *

M. H. WHITE has been appointed district manager for Manufacturers Life at Windsor, Ont. Mr. White joined the company's Halifax branch in 1928 and since 1934 has been inspector assisting in the organization of the company's Cape Breton Island territory.

M. H. WHITE

Queer Quirks in Wills

Thumb-mark Is Held by Court to be Signature to Document—Law Permits Great Flexibility

By CHARLES F. ADAMS

It was just 100 years ago that the famous English Wills Act of 1837 was passed, the main features of which have been carried over with the statute law of Ontario, as well as most of the other provinces and many of the United States. Many customs formerly restraining the testamentary power were thereby abolished, and much of the former uncertainty as to wills has since been obviated.

But even since 1837, when formalities of signature and attestation have been prescribed by statute, doubts may still arise whether a particular instrument ought or ought not to be admitted to probate as a will. This is because the law still permits the greatest flexibility of form and expression in documents whose aim is a posthumous disposition of property.

Four Unusual Cases

In the year just closed (1936) there have been at least four cases of peculiar and unusual interest reported before the courts for determination.

(1) **A thumb-mark of the testator was upheld as his signature to his will.**

The testator being unable to write had made his mark by pressing an ink-smeared thumb on his will. He had been bed-ridden for four months. One of the attesting witnesses was a clergyman who had drafted the will at the testator's request. He was formerly a chaplain in India where illiterate natives were in the habit of executing documents with their thumb-marks. The statute (Ontario Section 11) provides:

"No will shall be valid unless . . . it shall be signed at the foot or end thereof by the testator or by some other person in his presence and by his direction . . ."

No reported case could be found where a thumb-mark had been used, but the judge of probate held that the thumb-mark was no worse than a cross, and where a mark was the only way which a testator had of making his signature, it has been held as coming within the meaning of the section. He did not, however, commend this method of making a mark. It actually looked more like a blot, but the witness swore the testator's thumb slipped and the mark was smudged.

Another Signed for Testator

(2) **The signature by a Notary Public in his own name on behalf of the testator and at his direction was held sufficient.**

The testator was illiterate but on his authority and direction a will was prepared which was read over to the testator in the presence of two witnesses (solicitor's clerks in Scotland) and of a Notary Public. The testator did not make his mark, but directed the Notary Public to subscribe the will for him, which he did, using his (the Notary Public's) own name.

The judge pointed out that all the requirements of the section had been expressly complied with. The section does not say that the other person is to sign the name of the testator. In fact a direction to a person "to sign," prima facie means to sign his own name. One hundred years ago, but never since, the point was previously reported where the will ran: "Signed on behalf of the testator by me, A. B., etc."

Signature's Position Questioned

(3) **A holograph will with the signature on one side of a folded sheet of paper and the bequests on the other, was admitted to probate.**

The question raised was whether the position of the signature of the testatrix in her will complied with the requirements of the act:

Ontario section 11 S.S. 2 reads: "Every will so far as regards the position of the signature of the testator . . . shall be valid . . . if the signature is so placed at or after, or following, or under, or beside, or opposite to the end of the will; that it is apparent on the face of the will that the testator intended to give effect by such signature to the writing signed as his will; and no such will shall be affected . . . by the circumstance that the signature is on a side, or page, or other portion of the paper or papers containing the will whereon no clause or paragraph, or disposing part of the will shall be written above the signature."

The document was holograph. There was no doubt that it was intended to express and did express the last wishes of the testatrix. It was written upon a piece of notepaper. The bequests ran from top to bottom of the sheet, opened lengthways—that is to say, above and below the fold ordinarily found in a sheet of notepaper, while the appointment of the executors, and the signatures ran from top to bottom of one side of the notepaper as normally folded. There was no space after the attestation clause for anything else to be written across the whole width of the page. One of the attesting witnesses testified the will was written on a sheet of notepaper which was folded and she noticed at the time when the testatrix unfolded the paper that the other side of the sheet had been written on; that the testatrix told her that the document was her will; that she signed in the presence of the witnesses and then asked them to sign as witnesses.

The Judge (Sir Boyd Merriman) held it clear that the bequests were not "underneath" the signature nor was the case exactly covered by any of the previous cases dealing with bequests "following" the signature. He said the proper way to read the will was to begin with the words "I give and bequeath" and to end with the signature. He directed the will to be admitted to probate.

(4) **A will with a small strip excised was admitted to probate as mutilated.**

Ontario section 22 (Section 20 of the wills act of 1937) provides:

"No will, or codicil, or any part thereof shall be revoked otherwise than as aforesaid . . .or by the burning, tearing or otherwise destroying the same by the testator . . . with the intention of revoking the same."

The document, submitted for probate as the will of a widow who died Oct. 21, 1935, aged 98, was dated March 1, 1921. A small strip containing words occupying some two or three lines had been cut out from the middle of one sheet and the parts thereby severed had been neatly stitched together again with white cotton.

It was shown that the will had been in the possession of the testatrix until about two months before her death when she asked for a daughter to take it out of a locked box and deliver it to her solicitor. It was then in its mutilated condition, but the solicitors did not deem it desirable to ask the testatrix to make a new will, having regard to her infirm condition. It was not known when the piece of the will was cut out, but it could have been done with scissors at any time the testatrix was alone up to about 1931, to which date she (an expert needlewoman) kept up her sewing.

Admitted to Probate

The judge admitted the will in its condition to probate.

Nevertheless, in spite of what was accomplished in the above instances it is still good advice that one should consult his solicitor and have his testamentary wishes incorporated in the form of a will, executed in a normal and regular manner.

Burdened With Responsibilities

It is unfair to your friends or relatives to burden them with the responsibility of managing your Estate. This responsibility placed in the hands of a Trust Company, where an especially trained personnel lends its accumulated knowledge and experience to the management of the Estate, constitutes the greatest safeguards for your heirs.

MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

AN ADDED LEGACY

To name a trust company as executor of a will is to bequeath an added legacy for distinct value to the beneficiaries. For a trust company can serve in this capacity far more advantageously than a private individual. Its administration of the estate is permanent and not interrupted by death or illness as the administration of a private individual may be and often is. It is skilled and (particularly in the case of the officers of the Chartered Trust and Executor Company) sympathetic to the needs of the beneficiaries.

CHARTERED TRUST and EXECUTOR COMPANY
TORONTO 34 King St. West
MONTREAL 132 St. James St. W.
ROLPH R. CORSON, President
JOHN J. GIBSON, General Manager

We thank you for these records ...

To our 70,000 Policyholders:

DURING 1936 you expressed your confidence in this Company by purchasing more Life Assurance than you did even in the record year of 1935. Furthermore, your co-operation has resulted in a notable increase in the number of Policyholders and the amount for which they are insured.

The Company's consistently satisfactory earning power, together with conservative valuation of assets and a substantial surplus, assure you of the maintenance of a liberal dividend scale.

As the Company prospers, so do the Policyholders who are the sole owners and who receive all profits. We look forward to a continuation of the mutually helpful relationships that have marked this Company's fifty-six years of service to the insuring public. You will be interested in a few of the outstanding results of the successful year your Company enjoyed in 1936:

Business In Force (Including Deferred Annuities) $211,194,004
Assets 54,845,907
New Business (Including Deferred Annuities) . 35,169,802
Total Income 11,210,773
Payments to Policyholders . . 4,967,180
Surplus Funds 4,724,416

NORTH AMERICAN LIFE
A MUTUAL COMPANY
ESTABLISHED 1881 — SOLID AS THE CONTINENT — A MUTUAL COMPANY — ALL PROFITS FOR POLICYHOLDERS
T. Bradshaw, President
D. E. KILGOUR, General Manager

The complete Annual Report is being sent to each policyholder. Any person desiring a copy may secure it upon request.

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JANUARY 18

Range 1936-37 High	Low	Div Rate	Jan16 Y'ld %	Company	Sales	Last Jan. 11	Week end. Jan. 18 H	L	Cl'se
				V					
10	4	.	...	Viau Biscuit	100	5	6½	5½	6½
50	50	.	...	Do. pref.	1	50	50	50	50
				W					
31½	20	25c	...	Wabasso Cot.	25	27	28	25	25
49¾	26½	2	4.1	Walker-Good.	5592	47½	49½	45½	48½
20½	17	1	5.1	Do. pref.	1382	19¾	19¾	18½	19¾
3¾	1¾	.	...	Walkerville Br.	1650	2¾	2¾	2¾	2½
4.00	.95	.	...	Waterloo Mfg.	860	3.50	3.50	3.25	3.50
12½	4½	.	...	West. C. Flour.	635	12	12½	12	12½
90	36	.	...	Do. pref.	100	82	90	85	89
65	46½	2.40	3.7	West. Grocers	....	(59 bid — asked)			
116	106	7	6	Do. pref.	....	(117½ bid — asked)			
21	13½	80+10c	.	Weston Ltd.	2410	18½	18½	17¾	18
109½	93	5	4.7	Do. pref.	15	105½	106	105½	106
6	2	.	...	Windsor Hotel	270	5	6	5	5
18	4	.	...	Do. pref.	175	15	18	15	18
10½	1¼	.	...	Winnipeg El. A.	11966	7½	10½	7	9½
10	2¼	.	...	Do. (B)	4889	7	10	6¾	9½
44	17½	.	...	Do. pref.	967	38	44	38	44
60	38	.	...	Wood, A & J, p.	10	53	60	60	60
90	50	.	...	Woods Mfg., pf.	100	85	82½	80	80
				Z					
6	2¾		...	Zimmerknit, c.	255	5¾	6	5½	6
92	60	3.50▲	..	Do. pref.	10	89	92	92	92

* Quotations for 1935. No sales recorded in 1936-37 to date.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus 1% paid Jan. 2, 1937.
♦ Capital distribution.

Government Bonds

Dominion of Canada

Jan. 20, 1937

Rate	Due	Bid	Ask.	Yld. Approx.
†‡5	1 Mar. '37	100.25	100.75	...
‡5½	1 Dec. '37	103.50	104.00	1.00
2½	15 Oct. '39	102.75	103.25	1.30
4	15 Oct. '39	106.50	107.25	1.34
2	15 Nov. '39	101.75	102.25	1.19
1½	1 June '40	100.00	100.50	1.35
4½	1 Sept. '40	108.75	109.50	1.83
1	15 Mar. '41	97.75	98.50	1.37
5	15 Nov. '41	112.75	113.50	2.06
3	15 Oct. '42	104.50	105.25	2.03
2½	1 June '43	102.00	102.50	2.08
5	15 Oct. '43	113.75	114.50	2.65
4½	15 Oct. '44	112.50	113.25	2.60
■2½	15 Aug. '45	100.75	101.50	▲2.25
4	15 Oct. '45	109.00	109.75	▲2.42
4½	1 Feb. '46	112.50	113.25	2.83
3½	15 Oct. '49	104.85	105.60	▲2.69
4	15 Oct. '52	108.75	109.50	▲2.98
3	1 June '55	100.00	100.75	▲2.93
4½	1 Nov. '56	111.75	112.50	▲3.04
4½	1 Nov. '57	111.75	112.50	▲3.14
4½	1 Nov. '58	112.25	113.00	▲3.18
4½	1 Nov. '59	112.50	113.25	▲3.24
■3¼	15 Jan. '61	101.50	102.50	▲3.07
3¼	1 June '66	101.00	101.75	▲3.13
♦3	Perp. bds.	96.15	96.65	3.10

Provincial Government Bonds

Rate	Due	Bid	Ask.	Yld.
New Brunswick:				
4	1 Sept. '54	103.25	104.50	3.86
†4½	15 Apr. '61	110.50	111.50	3.77
†5	15 Jan. '60	115.00	116.00	3.93
Quebec:				
4	15 Mar. '52	107.50	109.00	3.25
4¼	1 Aug. '58	111.50	112.50	3.43
4½	2 Jan. '63	114.00	115.00	3.60
Nova Scotia:				
3	2 Sept. '45	99.50	100.50	2.93
4½	15 May '43	107.50	108.50	3.01
†4½	15 Sept. '52	111.50	112.50	▲3.14
†5	1 Mar. '60	118.00	119.50	3.74
Ontario:				
*4	1 June '62	108.00	109.25	3.45
*4½	1 Sept. '44	113.00	114.00	2.48
4½	1 June '50	112.25	113.25	3.27
*4½	15 Jan. '62	115.00	116.50	3.50
5	15 Oct. '48	115.25	116.25	3.34
*5	2 Dec. '60	121.00	122.50	3.59
5½	1 July '46	116.25	117.25	3.36
Prince Edward Island:				
3	1 Oct. '45	100.00	101.00	2.87
Alberta:				
4	15 Dec. '54	60.00	64.00	§
†4	1 Dec. '57	62.00	65.00	§
4½	1 Oct. '51	75.00	78.00	§
†4½	1 Oct. '56	63.00	66.00	§
†5	1 Jan. '48	65.00	68.00	§
5	1 Sept. '55	63.00	66.00	§
*5	1 Oct. '59	68.00	70.00	§
†5½	1 Jan. '47	67.00	70.00	§
6	1 Mar. '47	68.00	72.00	§
Saskatchewan:				
4	15 Aug. '53	78.00	81.00	5.77
4	1 Nov. '60	76.00	78.00	5.69
*4½	2 July '45	88.00	91.00	5.86
†4½	1 Oct. '51	86.50	88.00	5.70
†4½	15 Mar. '60	83.00	86.00	5.57
5	1 Aug. '58	86.00	88.00	5.99
†5½	15 Nov. '46	90.00	92.00	6.62
5½	1 Oct. '52	87.00	90.00	6.52
6	15 Mar. '52	91.00	93.00	6.73
Ont. Hydro Comm.:				
3½-4-5	1 Oct. '52	100.00	101.00	...
4¾	1 Jan. '70	118.00	119.00	3.74
British Columbia:				
†4	1 Dec. '57	95.00	97.00	4.22
*4½	15 Jan. '51	99.00	100.00	4.50
†4½	1 Oct. '53	98.00	99.50	4.54
†5	15 Jan. '48	100.00	101.50	4.82
5	1 Sept. '53	100.00	101.50	4.87
5½	1 Feb. '45	101.50	102.50	5.12
6	15 Feb. '47	103.00	104.50	5.43
Manitoba:				
4	2 Jan. '50	87.00	89.00	5.17
†4	1 Dec. '57	87.00	89.00	4.84
†4½	15 Dec. '56	91.00	93.00	5.06
†5	15 June '54	93.00	96.00	5.35
*5	2 Dec. '59	97.00	100.00	5.00
5½	1 Oct. '55	92.00	95.00	5.94
6	1 Apr. '47	96.00	99.00	6.12

Dominion Guaranteed Bonds

Canadian National Railways:

Rate	Due	Bid	Ask.	Yld.
3	1 May '44	103.00	103.75	2.43
3	15 Dec. '50	100.25	101.00	▲2.87
3	15 Feb. '53	99.75	100.50	▲2.95
*4½	1 Sept. '51	114.75	115.75	3.17
*4½	1 Feb. '56	115.25	116.25	3.36
†4½	1 July '57	114.75	115.50	3.44
*4¾	15 June '55	117.50	118.50	3.39
5	1 Feb. '54	118.25	119.25	3.51
*5	1 July '69	118.00	119.00	▲2.78
*5	1 Oct. '69	120.00	121.00	▲3.31

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Mining Stock Quotations

WEEK ENDED JANUARY 18

Par Val.	Range 1936-37 High	Low	Company	Sales	Close Jan. 11 (or last)	High for week	Low for week	Close Jan. 18
1	.13½	.04	Afton	46,400	.07½	.07¾	.06¼	.07
No	1.85	.88	Aldermac	220,405	1.74	1.85	1.68	1.70
1	.10	.01½	Alexandria	51,900	.04	.04½	.04	.04½
No	.12½	.03⅝	Algoma	57,300	.05½	.06	.05	.05½
No	7.50	4.10	Anglo-Huronian	6,419	6.60	6.75	6.50	6.70
1	1.75	1.00	Argosy	18,894	1.25	1.27	1.20	1.23
1	1.20	.65	Arntfield	23,200	.86	.92	.86	.90
No	.12	.03	Arno	33,680	.05	.06½	.05	.06½
1	.31	.06½	Ashley	17,325	.10	.11	.09½	.09½
1	.12	.02¾	Astoria Rouyn	186,550	.10	.11	.09	.10½
1	.11½	.05½	Bagamac	113,910	.07	.07½	.06½	.06¾
1	2.15	1.40	Bankfield	32,278	1.55	1.60	1.50	1.54
1	.10	.01	Barry Hollinger	1,000	.03½	.01	.01	.01
1	.42	.14	Base Metals	48,125	.26	.33	.25½	.28
No	1.84	1.20	Beattie Gold	24,550	1.30	1.45	1.30	1.45
1	.59	.30	Beaufor	20,846	.53	.53	.49	.50
1	2.00	1.25	Bidgood Kirk.	42,284	1.60	1.62	1.51	1.51
1	.76	.46	Big Missouri	42,932	.64	.66	.61	.65
1	.36½	.13	Bobjo	121,370	.21	.25	.20	.21
1	.70	.34	Bouscadillac G. M.	29,300	.56	.56	.50	.50
No	9.00	5.55	Bralorne	5,664	8.00	8.35	8.00	8.35
1	.40	.05	Brazil Gold	900	.09½	.10	.10	.10
1	.20	.02	Brett Trethewey	157,000	.16½	.19	.16	.17½
50c.	.25½	.07	B. R. X. Gold	1,300	.09	.09½	.07	.07
1	.16	.07	Brownlee	125,146	.11	.13	.10	.10
1	12.25	3.80	Buffalo Ankerite	6,435	11.65	12.00	11.12	11.75
No	.13	.02	Buffalo Can.	30,400	.06	.06½	.05½	.05¾
5	37.00	27.25	Bulolo Gold	873	28.00	28.50	27.87	28.00
No	.18	.06	Bunker Hill	25,920	.13½	.14½	.13	.14
No	2.15	.95½	Can. Malartic	20,340	1.90	2.00	1.80	1.90
1	2.10	1.15	Cariboo Gold	1,000	1.75	1.75	1.72	1.72
1	.50	.02	Cartier Malartic	88,750	.37	.39	.34	.38
1	1.69	1.18	Castle Trethewey	101,680	1.57	1.66	1.55	1.55
1	.58	.11½	Cen. Manitoba	57,500	.22	.22	.19	.20
1	4.90	2.41	Cen. Patricia	29,640	4.45	4.50	4.25	4.30
1	.59	.30	Cen. Porcupine	81,440	.37½	.39	.33	.33
No	2.46	1.10	Chromium	21,920	1.45	1.45	1.35	1.35
No	.09⅞	.03	Church M. & Mill	14,900	.06	.06	.05½	.06
No	.14	.03	Clericy	69,085	.08	.08½	.07½	.07½
5	8.00	2.25	Coast Copper	2,550	6.90	7.75	6.50	6.65
1	.04	.01½	Cobalt Contact	96,600	.02⅞	.03½	.02	.03
5	4.25	2.80	Coniagas	100	3.30	3.45	3.45	3.45
No	2.75	1.60	Coniaurum	28,070	1.85	2.10	1.80	2.05
1	3.38	1.10	Con. Chibougamau	235,280	2.12	2.67	2.08	2.43
25	81.25	51.00	Cons. Smelters	6,242	80.00	81.25	77.00	78.00
1	2.98	1.10	Darkwater	19,428	2.65	2.75	2.55	2.60
No	61.25	41.75	Dome Mines	5,750	49.50	50.65	49.50	49.75
1	.15	.04	Dom. Explorers	157,650	.08½	.12	.08½	.10½
1	.55	.32	Dorval Siscoe	67,485	.44	.45	.40	.44
1	.10½	.04	Duparquet	32,425	.07	.07	.06½	.06½
1	1.65	.52	East Malartic	340,280	1.24	1.65	1.26	1.47
1	2.70	.80	Eldorado	46,714	2.57	2.67	2.50	2.57
No	12.87	6.90	Falconbridge	13,835	12.00	12.12	11.50	11.75
1	.32	.03	Federal	342,560	.29½	.32	.26	.31
No	2.24	.10	Francoeur Gold	216,451	1.31	1.50	1.23	1.25
1	.41	.19	Glenora	70,500	.27	.27	.24½	.24½
No	1.45	.65	God's Lake	48,290	.95	1.02	.93	.98
1	.24	.09	Golconda	2,500	.12	.14	.11	.12
1	.52	.14½	Goldale	39,600	.45	.45	.41	.45
50c.	.54	.10	Gold Belt	22,500	.13	.20	.15	.18
1	.26½	.06	Goodfish	25,400	.12	.13	.11	.13
1	.27	.03	Graham Bosquet	29,100	.21	.23	.18	.18
1	.40	.17	Granada Gold	13,900	.29	.29½	.27	.29
No	.15	.05⅞	Grandora	31,000	.08	.11	.08	.09
1	.93	.21	Greene Stabell	85,525	.38	.40	.35	.35
1	.12	.04	Grozelle	500	.07½	.12	.12	.12
1	.17½	.08	Grull Wihksne	8,700	.14	.17½	.14½	.17
1	1.25	.75	Gunnar Gold	45,210	1.23	1.24	1.15	1.15
1	.10½	.02	Halcrow Swayze	6,000	.03¾	.04	.03½	.03½
1	3.63	.30	Hard Rock	45,000	3.10	3.15	2.90	2.90
1	.26	.07	Harker	365,815	.20	.22	.18	.22
5	17.25	12.00	Hollinger	22,834	14.25	15.37	14.00	15.25
1	1.00	.55	Howey Gold	33,700	.64	.64	.61	.61
No	35.75	22.87	Hudson Bay	16,999	34.00	35.75	34.75	35.25
1	19.25	13.75	Inter. Mining	2,950	18.65	19.00	16.50	16.50
No	66.12	43.50	Int. Nickel	21,187	64.25	64.50	63.25	63.75
1	.80½	.28½	J. M. Cons. Gold	44,640	.47	.48	.43	.45
1	.75	.40	Kerr Lake	400	.65	.62	.60	.60
1	2.31	.30	Kirk. Hud. Bay	14,675	2.07	2.10	1.90	2.10
1	1.35	.40	Kirkland Lake	215,942	1.29	1.35	1.20	1.26
1	.45	.03½	Kirk. Premier	54,350	.25	.33	.24	.33
1	.37	.14½	Kirk. Townsite	33,600	.27	.32	.27	.32
1	1.05	.55	Laguna	5,350	.93	.94	.91	.91
No	.21	.03	Lake Maron	58,500	.06	.06	.05¼	.05¼
1	62.75	51.75	Lake Shore	11,052	58.00	59.25	56.75	57.00
1	.47	.05	Lamaque Contact	81,100	.16¼	.18	.15	.17
1	1.33	1.12	Lapa Cadillac	100,425	1.15	1.33	1.12	1.27
1	1.38	.70	Lava Cap	14,967	.83	.89	.78	.78
1	.29¾	.12	Lebel Oro	174,032	.22	.23½	.21	.23
1	.15	.02½	Lee Gold	48,600	.07	.07	.06	.08¼
No	7.75	5.70	Little Long Lac	14,560	7.10	7.45	7.05	7.35
1	8.60	3.12	Macassa	27,368	8.00	8.15	7.80	8.00
1	.07	.01⅞	Malrobic	52,900	.04	.04	.03½	.03¼
No	.69	.12	Mandy	85,300	.57	.69	.55	.58
No	.30	.05½	Man. & Eastern	111,700	.13	.14	.12	.12½
1	.60	.30	May Spiers	42,100	.33	.34	.30	.31
5	49.25	38.00	McIntyre	7,362	41.00	42.25	40.38	40.50
1	2.24	1.22	McKenzie R. L.	74,510	1.80	1.98	1.83	1.88
1	.65	.45	McKinley	187	.63	.65	.65	.65
No	5.40	3.40	McLeod Cockshutt	69,854	4.20	4.45	4.00	4.10
1	.20	.02	McMillan	926,700	.15½	.19	.15	.19
No	1.78	.71	McWatters	39,535	1.10	1.12	1.00	1.10
1	.42	.17	McVittie	36,300	.20½	.21½	.20	.20
5	2.50	.50	Mentor Exp. & Dev.	500	1.50	1.90	1.50	1.90
No	3.95	1.10	Mining Corp.	42,478	3.35	3.95	3.25	3.90
No	1.00	.07½	Minto Mines	7,450	.22½	.22	.20	.20
1	.16½	.03	Moffatt Hall	13,100	.04	.04	.03½	.04
1	.85	.51	Morris Kirk.	29,850	.68	.71	.67	.69
1	1.93	.06¾	Moneta	42,910	1.70	1.70	1.60	1.65
1	2.05	.25	Montague	600	.25	.45	.30	.45
1	.09	.00¾	Murphy	206,650	.06	.07	.05½	.07
1	.88	.66	Naybob	64,700	.87	.88	.70	.83
No	.08½	.02	Newbec	382,950	.05	.08½	.05	.07
1	1.49	1.00	New Golden Rose	13,950	1.35	1.45	1.26	1.35¼
1	.06½	.01½	Night Hawk Penn.	63,300	.04	.04	.03½	.03
5	3.05	2.30	Nipissing	5,985	2.89	3.00	2.90	3.00¼
No	79.25	44.50	Noranda	21,727	75.00	79.25	74.75	78.50
No	.90	.23½	Nor. Canada	22,800	.80	.83	.75	.75
1	.18	.08½	Norgold	110,260	.08½	.14	.08½	.13
1	14.12	.34	O'Brien	112,380	9.70	10.12	8.50	9.50
1	1.05	.40	Omega	387,449	.82	1.05	.83	.91
1	.42	.07	Osisko	5,000	.24½	.28	.25	.27
No	5.20	3.10	Pamour	25,931	3.90	4.05	3.75	3.90
1	.48	.18	Parkhill	40,680	.22½	.24	.20	.22
1	.46	.30	Paulore	44,150	.30	.40	.30	.36
1	.11	.02	Pawnee Kirk.	45,000	.04	.04	.03½	.03¾
1	1.25	.50½	Paymaster	446,190	1.15	1.25	1.10	1.22
1	4.30	.65	Pend Oreille	47,600	3.80	4.00	3.50	3.70
1	2.35	1.12	Perron Gold	41,950	2.28	2.29	2.10	2.22
1	.04	.01½	Peterson Cobalt	26,500	.02¾	.03	.02½	.03
1	8.80	3.95	Pickle Crow	40,674	8.35	8.80	8.00	8.50
1	12.00	4.95	Pioneer Gold B.C.	3,015	6.20	6.45	6.00	6.40
1	.15	.04	Porcupine Crown	40,500	.07	.07½	.06½	.07
1	1.82	.95	Powell Rouyn	44,775	1.63	1.72	1.61	1.63
1	4.55	1.80	Premier Gold	23,065	4.15	4.35	4.00	4.30
1	2.25	.21	Preston E. Dome	31,800	1.33	1.39	1.32	1.38
No	3.25	1.15	Prospectors Air's	500	1.50	1.40	1.30	1.30
1	1.40	.59	Quebec Gold	4,900	.70	.80	.70	.78
No	.48	.02	Quemont	17,230	.25	.48	.22	.42
1	5.87	1.43	Read Authier	25,149	5.35	5.87	5.40	5.75
1	2.55	.50	Red Lake	48,780	1.43	1.43	1.31	1.33
1	1.46	1.00	Reno Gold	36,675	1.25	1.25	1.20	1.21
1	.13½	.01	Ritchie	96,030	.08	.08½	.06¾	.08
1	.12½	.04	Robb Montbray	166,838	.11½	.11½	.10	.11
1	.76	.05½	Roche Long Lac	226,200	.36	.43	.36½	.42
1	3.45	1.60	San Antonio	12,922	2.30	2.40	2.30	2.32
1	1.16	.75	Shawkey	51,450	.81	.85	.80	.81
50c.	.97	.56	Sheep Creek	500	.75	.75	.72	.72
1	3.60	1.00	Sherritt Gordon	274,472	3.20	3.60	3.15	3.25

Par Val.	Range 1936-37 High	Low	Company	Sales	Close Jan. 11 (or last)	High for week	Low for week	Close Jan. 18
1	6.65	2.87	Siscoe	300,410	5.10	6.65	5.00	6.60
1	2.27	.42½	Sladen Malartic	66,247	1.97	2.12	1.92	1.94
No	.08½	.02¾	South Tiblemont	27,100	.03¾	.04	.03½	.04
No	1.18	.18½	Stadacona	311,745	1.04	1.18	1.02	1.16
1	.38½	.15	St. Anthony	261,550	.29¾	.31	.24	.25
No	6.40	3.00	Sudbury Basin	7,631	6.15	6.25	6.10	6.10
1	.47	.06	Sudbury Contact	50,150	.35	.40½	.35	.38
1	.07½	.02½	Sudbury Mines	93,300	.02¾	.04	.02½	.04
1	2.50	.83	Sullivan Cons.	172,125	2.00	2.25	2.00	2.20
1	4.25	2.25	Sylvanite	41,960	3.90	4.25	3.80	4.10
1	.68	.12	Tashota	299,872	.19½	.24¾	.17	.19
1	6.70	4.30	Teck Hughes	14,782	5.55	5.65	5.50	5.65
1	2.87	.37½	Thomp. Cadillac	204,450	1.67	1.68	1.30	1.56
1	.30	.02	Timiskaming	220,650	.22	.30	.22½	.26
1	4.60	1.20	Toburn Gold	3,565	4.00	4.25	4.05	4.25
1	1.65	.20	Towagmac	116,185	1.40	1.65	1.40	1.50
1	.80	.20	Treadwell	300	.75	.75	.75	.75
No	3.19	1.60	Ventures	58,540	3.00	3.15	3.00	3.00
No	4.10	1.00	Waite Amulet	67,438	3.80	4.10	3.50	3.60
50c.	.21	.05½	Wayside	64,450	.07	.07	.05⅞	.05⅞
No	.08	.02½	White Eagle	76,050	.03½	.04	.03⅞	.03¾
1	.16	.03	Wiltsey Coughlan	223,735	.10	.16	.09¾	.15½
1	.58	.45	Wood Cadillac	85,200	.55	.58	.49	.50
No	9.00	7.15	Wright-Hargreaves	29,383	7.80	8.20	7.75	7.95
No	.71	.30	Ymir Girl	7,900	.36	.37	.36	.36
			OIL STOCKS					
No	.18½	.09½	Acme Gas & Oil	44,400	.16	.17½	.15	.15
1	.70	.40	Ajax	7,800	.54	.54	.46	.50
No	3.25	.10	Calgary & Ed.	24,205	2.99	3.20	2.85	3.20
1	.65	.05	Calmont	38,826	.55	.65	.55	.65
No	.38	.04½	Common Pete	16,400	.29	.38	.27	.38
No	1.84	.36	Dalhousie	79,050	1.53	1.84	1.55	1.80
No	.14	.06	Eastcrest	17,100	.12	.14	.11½	.12½
No	2.75	.30	Foothills	29,060	2.25	2.75	2.26	2.70
No	.31	.10	High Sarcee	20,200	.16	.20	.17	.20
No	3.28	.70	Home	24,475	2.90	3.10	2.85	3.09
1	.87	.11	Homestead O.& G.	216,500	.66	.87	.65	.80
No	.95	.60	Hunter Valley	......	(.70 Jan. 11)			
	.23½	.14½	Do., Warrants	......	(.15 Dec. 24)			
No	.55	.07	Lowery	9,550	.52	.55	.50	.53
No	.24	.10	Merland	15,200	.13	.16	.13	.15
1	.50	.45	Model	3,700	.46	.50	.48	.50
5	.28	.10	Nordon	87,350	.18	.22½	.18	.22
No	.07	.03	Oil Selections	26,600	.05½	.06	.05	.05½
No	.15	.06	Olga Gas & Oil	258,916	.07½	.12	.07	.11½
No	.17	.13	Pacalta	32,400	.13½	.15	.13	.14
1	.80	.52	Petrol Oil & Gas	400	.68	.68	.68	.68
No	50.50	26.00	Royalite	6,935	44.00	45.00	43.00	44.00
No	.80	.04	South West Pete.	6,000	.65	.80	.70	.80
No	2.50	1.45	Texas Can.	31,800	2.30	2.30	2.10	2.10

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1936-37 High	Low	Company	Sales	Close Jan. 11 (or last)	High for week	Low for week	Close Jan. 18
1	.09	.01⅛	Alexander	......	(.03½ bid	.04½ asked)		
25c.	.01	.00⅞	Bayview	129,100	.00⅜	.00⅞	.00⅝	.00⅝
20c.	.05	.01⅛	Beaver Silver	21,700	.02½	.03¼	.02⅞	.02⅞
1	.76	.46	Big Missouri	15,200	.63	.65	.63	.65
25c.	.04½	.01	Bluebird	39,300	.02½	.04½	.02½	.04½
No	9.00	5.60	Bralorne	5,677	8.00	8.30	8.10	8.30
1	.10	.03	Bridge River Cons.	1,000	.05	.05½	.05	.05
50c.	.25½	.08	B. R. X. Gold	11,600	.09	.10	.09¼	.10
50c.	.18	.09	B. R. Mountain Gold	1,500	.10	.13	.12	.13
1	.54	.17½	B. C. Nickel	70,000	.28	.38	.26	.30
1	3.30	1.50	B. C. Silver	4,616	3.15	3.20	3.00	3.05
50c.	.12½	.03½	Canadian Rand	29,300	.03½	.03⅞	.03½	.03⅞
1	2.05	1.15	Cariboo Gold	2,365	1.75	1.75	1.70	1.73
1	.30	.06½	Congress Gold	57,400	.10	.11½	.11	.11½
25c.	.01⅞	.00⅞	Cork Province	2,100	.01¾	.01¾	.01	.01¾
1	.06	.02	Cotton Belt	7,000	.06	.04½	.04½	.04½
1	.05½	.01	Dalhousie Mines	4,000	.01	.01½	.01½	.01½
No	.36	.10½	Dentonia	17,400	.15	.15	.14	.14
No	.08½	.01½	Dictator	88,600	.03½	.04½	.03½	.04½
1	.07	.02	Dunwell	5,300	.03½	.04½	.04½	.04½
No	.18	.03	Fairview Amal.	99,921	.16	.18	.12	.12
50c.	.80	.35	Fawn Mining	6,000	.64	.64	.64	.64
1	.18½	.02½	Federal Gold	31,100	.04½	.04½	.03⅞	.04
1	.80	.15	George Copper	3,110	.80	.80	.70	.70
50c.	.05½	.02	George Enterprise	1,500	.04	.04	.03	.03
1	.05	.01	Georgia River	167,500	.03	.05	.02½	.04
50c.	.02½	.01	Glacier Creek	1,600	.02	.01½	.01½	.01½
1	.24	.09	Golconda	72,700	.11½	.16	.11	.13
50c.	.54	.08	Gold Belt	39,650	.12½	.20	.12	.19
50c.	.45	.05	Gold Mountain	177,750	.37	.38	.29	.32
50c.	.16	.02	Grandview	86,725	.14	.16	.14	.14
No	.07½	.01½	Grange Mines	28,500	.02½	.02½	.02½	.02½
1	.18	.07	Grull Wihksne	213,950	.13	.18	.13½	.15
No	.05½	.00½	Haida Gold	48,500	.00½	.02½	.00½	.02½
50c.	.44	.12	Hedley Amal.	454,950	.40	.44	.35	.36
No	.12	.03	Hedley Sterling	167,000	.06	.12	.06½	.08½
No	.08	.02	Home Gold	15,800	.03½	.04	.03	.03
1	.03½	.00½	Independence	208,100	.02½	.03½	.02½	.02½
1	.03½	.01½	Indian Mines	10,500	.03	.03	.03	.03
50c.	1.82	.95	Island Mountain	6,320	1.18	1.18	1.04	1.07
1	.24½	.18	Inter'l Coal	300	.22	.21	.21	.21
50c.	.10½	.04½	Inter'l Gold	11,000	.06	.06	.04½	.06
50c.	.93	.30	Kootenay Belle	4,500	.87	.87	.83	.83
20c.	.03½	.00½	Koot. Florence	126,171	.02⅞	.03¼	.02⅞	.02⅞
25c.	.02	.00⅞	Kootenay King	30,050	.01	.02	.01½	.02
1	.01½	.00⅝	Lakeview	8,200	.00⅞	.01½	.00⅞	.01½
10c.	.11¼	.01	Lucky Jim	246,750	.08	.11½	.08	.09½
No	.14½	.02½	Mak Siccar	148,000	.05½	.07½	.05½	.06½
50c.	.01	.00½	Marmot Metals	115,000	.00⅞	.01	.00⅞	.01
1	.20	.12	McGillivray Creek	2,000	.18½	.19	.19	.19
50c.	.14½	.02	Meridian Min.	2,500	.03½	.03½	.02½	.03½
No	.94	.07	Minto Mines	71,450	.22	.21¾	.19½	.20½
50c.	.05	.01½	Morning Star	45,500	.04½	.04½	.04	.04
50c.	.22½	.07½	Nicola	80,525	.15	.15	.12½	.13
50c.	.14½	.02	Noble Five	640,215	.07	.14½	.07½	.11½
1	4.15	.65	Pend Oreille	10,320	3.78	4.00	3.65	3.65
No	.09	.02	Pilot Gold	46,500	.05	.05	.05	.05½
1	11.85	5.05	Pioneer Gold	1,155	6.30	6.40	6.05	6.40
50c.	.15	.04	Porter Idaho	34,475	.12½	.13	.10½	.10½
No	.05½	.00½	Premier Border	170,300	.03½	.04	.03½	.03¼
1	4.80	1.80	Premier Gold	10,778	4.15	4.30	4.05	4.30
1	.05¼	.01	Quatsino Copper	51,200	.04½	.05½	.04	.04½
25c.	.15	.05	Quesnelle Quartz	49,500	.14	.15	.13½	.15
No	1.00	.05	Reeves McDonald	26,350	.90	.91	.85	.85
1c.	.09¾	.02	Reliance	36,000	.04	.04	.03½	.03½
1	.50	.28	Relief Arlington	5,000	.33	.34	.32	.34
1	1.50	1.00	Reno Gold	9,290	1.24	1.25	1.18	1.19
1	.15	.02	Reward Mining	71,800	.06½	.06½	.06	.06½
1	.05	.00½	Rufus Argenta	62,800	.03½	.04	.03½	.03½
1	.06	.01	Ruth Hope	17,000	.04½	.05	.04½	.05
1	.15	.07	Sally Mines	2,350	.11½	.11½	.10	.10
50c.	.13½	.07½	Salmon Gold	13,600	.10½	.11	.09½	.10½
50c.	.97	.55	Sheep Creek	21,350	.75	.74	.69	.73
1	3.10	2.50	Sihak Premier	......	(3.05 bid	.... asked)		
No	.08	.03	Silvercrest	3,000	.05	.05	.05	.05
20c.	.04½	.01	Silversmith	238,700	.02½	.04½	.02½	.04½
50c.	.02½	.00⅛	Snowflake	48,000	.01½	.01½	.01½	.01½
10c.	24.25	16.50	Sunshine	......	(20.25 Dec. 21)			
No	.24	.06½	Taylor Bridge	8,300	.07½	.12	.08	.08
1	.27	.07	Taylor Windfall	3,500	.13½	.12	.10	.10
50c.	.05½	.00⅞	United Empire	349,300	.00⅝	.00⅞	.00⅝	.00⅝
No	1.88	.65	Vidette Gold	9,375	.87	1.05	.85	1.04
No	.08½	.00½	Viking Gold	244,900	.02½	.05	.03	.04½
No	.06½	.01	Waterloo Gold	130,600	.01½	.02½	.01½	.02
50c.	.02½	.00½	Waverley Tangier	316,150	.01½	.02½	.01½	.01½
50c.	.20½	.05½	Wayside	18,000	.07½	.07	.06	.06
20c.	.08	.01	Wellington	196,550	.05	.08	.04½	.06½
50c.	.35	.19	Wesko	224,050	.26½	.35	.27½	.33½
1	.24	.02½	Whitewater	229,800	.18½	.24	.18½	.20½
No	.69	.34	Ymir Yankee Girl	500	.39	.39	.35	.35
			OIL STOCKS					
1	.41½	.09	Alta. Pac. Cons.	50,285	.28½	.41½	.28	.41½
1	.15	.04	Amalgamated	10,700	.08	.09	.08	.08
1	.11½	.02½	Anaconda	198,500	.08	.11½	.08½	.11
No	.16	.02	Associated	1,000	.15	.16	.16	.16
No	.08	.02	Baltac	21,725	.04½	.08	.04½	.08
1	.43	.09½	Brit. Dominion	17,300	.16	.26	.18	.25½
No	3.25	.79	Calgary & Ed.	14,065	2.99	3.18	2.95	3.15
1	.41	.04½	Commonwealth	132,605	.29½	.41	.32	.41
1	.67	.05	Calmont	30,831	.54	.67	.56	.66
1	.17	.04½	Crow's Nest	5,200	.09	.09	.09	.09
No	1.87	.36	Dalhousie	6,419	1.55	1.87	1.70	1.87
No	.16	.04½	Freehold	275,355	.12	.16	.12	.15½
No	.28	.04	Hargal	4,950	.12	.16	.12	.16
No	.33	.09½	High Sarcee	30,100	.17	.21	.17	.21
No	3.10	.70	Home Oil	5,245	2.85	3.10	2.85	3.06
No	.53	.07	Lowery Pete	1,800	.53	.53	.52	.52
No	.07	.01	Madison	87,000	.05½	.07	.05½	.07
No	.25	.11½	Marion Oil	11,600	.16½	.16½	.15	.16
No	.29	.05	McD. Segur Ex.	121,450	.20	.29	.20½	.29
1	.75	.20	McLeod	1,300	.73	.67	.64	.67
No	.33	.10½	Mercury	57,850	.24½	.28	.23	.28
No	.24	.09	Merland	13,725	.12½	.16	.13½	.16
No	.27	.08	Mill City Pete	8,400	.22	.27	.20	.27
1	.53	.20	Model	10,700	.49	.52½	.48	.52½
5	.26	.10	Nordon	31,350	.18	.22½	.18	.22
No	1.15	.04	Okalta	26,200	.90	1.05	.89	1.02
No	.18	.04½	Pacalta Oil	57,200	.13½	.15	.13½	.15
1	.90	.34	Ranchmen's	3,550	.67	.75	.66	.75
No	50.00	26.25	Royalite	117	45.00	45.25	43.00	45.25
No	.80	.04	Southwest Pete	10,450	.65	.80	.70	.80
1	.30	.09	Spooner	100	.25½	.26	.26	.26
No	.34	.05	United	89,895	.17	.34	.18	.34
No	.14	.04½	Vanalta	89,500	.05	.14	.08½	.13½
1	1.23	.10	Vulcan	10,351	1.00	1.23	1.00	1.22

Corporation Bonds

(Supplied by Investment Dealers' Assoc. of Can.)

January 19, 1937

Issue	Int. Rate %	Due	Bid Jan. 19	Asked	Bid Jan. 12
Public Utility Issues:					
*Ass. Tel. & Tel.	5½	'55	86	89	86½
Beauharnois P.	5	'73	60½	63½	64
†B. C. Power	4½	'60	99½	102½	99½
†B. C. 'Phone	4½	'61	105½	108½	105½
*Calgary Pwr.	5	'60	95½	98½	95½
†Can. Nor. Pwr.	5	'53	102½	105½	102½
*Dom. Gas & El.	6½	'45	95½	98½	95
*Gatineau Pwr.	5	'56	103	105	102½
*Do., A	6	'41	100½	103½	100
*Do., B	6	'41	100	103	99½
*Inter. Hydro-E.	6	'44	85	88	82½
*Inter. Power	6	'57	98	101	98
†Maclaren-Que. Power	5½	'61	97½	100½	96½
†Do.	5½	'64	96	99	96
†Mtl. Island Pr.	5½	'57	103½	106½	103½
†Mtl. L. H. & Pr.	3½	'56	102	105	102
†Mtl. Tramways	5	'41	103½	106½	103
†Do.	5	'55	84	87	82½
Nfld. L. & P.	4½	'56	100½	103½	100½
Nat'l. L. & P.	6	'49	96	99	97
†N. S. L. & Pr.	5	'58	103	106	103
Do.	5	'65	102	105	102
†Ot'wa L.H.&P.	5	'57	104	107	104
†Ottawa Tract.	5½	'55	102	105	102
†Ottawa V. Pwr.	5½	'70	90	93	91
†Power Corp.	4½	'59	100	103	100
*Quebec Pwr.	5	'68	103	106	103
Saguenay Pwr.	4½	'66	104½	107½	104
†Shaw. W. & Pr.	4	'61	100	103	100
†Do.	4½	'70	104	107	103½
†South. Can. Pr.	5	'55	102½	105½	102½
†United Secs.	5½	'52	80	83	79½
*Winnipeg Elec.	4½	'60	104½	107½	104½
*Do., A	4	'65	83½	86½	81½
*Do., B	4	'65	76½	79½	74
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	93½	96½	90
Acadia Sugar	4½	'55	100½	103½	100½
†Alta. Pac. Gr.	6	'46	96½	99½	96
Asbestos Corp.	5	'42	110	...	110
B. A. Oil	4	'45	103	106	103½
Canada Bread	6½	'41	109	112	109
†Can. Cement	4½	'51	104	107	104
†Can. Steamship	6	'41	69½	72½	69
Can. Canners	4	'51	100	103	100
Can. Bakeries	6½	'45	99	...	99
*Can. Inter. P.	6	'49	100½	103½	101
C. P. R.	3½	'51	104	107	103½
Do.	4	'49	106½	109½	105½
Do.	4½	'44	102	105	102
Do.	4	Perp.	98¾	99½	98½
†Can. Vickers	6	'47	100	103	100
†Consol. Paper	5½	'61	84½	87½	79
*Dominion Coal	6	'55	100	103	100
Dom. Sq. Corp.	6	'48	66½	69½	66½
‡Dom. Stl. & C.	6½	'55	95½	98½	91½
†Dominion Tar	4½	'51	102½	105½	101
Dom. Textile	4½	'55	106	109	...
†Donnacona P.	3-4-4½	'56	87½	90½	88
†Eastern Dairies	6	'49	86½	89½	84
†Famous Play.	4½	'51	100	103	100½
†Federal Grain	6	'49	99½	102½	99½
†Fraser Cos.	6	'50	102	105	102
†Gen. Steel W.	6	'52	104	107	104
*Gt. Lakes Pap.	5	'55	93½	96½	90½
†Gypsum L.&A.	5½	'48	102½	105½	102
†Gr. Br. & Can. Invest.	4½	'59	85½	88½	85
Hamilton Cot.	5½	'48	103	106	103
*Ham. By-Prod. Coke	5	'55	101½	104½	101½
*Hinde & Dauch	5½	'48	103½	106½	103
†Inter. Paper	6	'55	99½	102½	100
†Inter. P. & P. Nfld.	5	'68	103½	106½	103½
Inter City Bak.	5½	'48	103½	106½	103½
Inter-City West. Bakeries	6½	'50	64	68	65
†Kingston Elev.	6	'50	97½	100½	97½
†Lake St. John P. & P.	5½	'61	100½	103½	99½
†Lond. Can. Inv.	4½	'48	94	97	94½
*Maple L. Mill.	5½	'49	85½	88½	82
†Massey-Harris	5	'47	97½	100½	97½
†McColl-Front.	6	'49	104	107	104
†Mercury Mills	5½	'53	89	93	80
†Mersey Paper	6	'49	99	...	99
*Minn. & O. P.	6	'45	70	73	69
Mtl. Dry Docks	6	'48	93½	96½	94
Nat'l Grocers	4	'36-'47	101	...	101
†N. A. Elevators	6	'50	97½	100½	97½
Nor. Ont. Bldg.	6½	'39	97½	...	97½
*Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	98	...	98
†Restigouche Co.	6	'48	110½	112½	110
Rich. Bay Bldg.	6½	'47	100½	...	100½
†Riordon P. & P.	6	'42	104	...	104
†Rolland Paper	4½	'51	103	106	103
Ruddy & Co.	6½	'48	99½	102½	99
†Smith, Howard	4½	'51	102	105	102
*Spruce Falls P.	5½	'42	101	104	101
†Steel of Can.	6	'40	112½	115½	112½
Sterling Coal	6	'40	90	...	90
Stop & Shop	6	'47	73	76	72
Twin City	5½	'52	93	96	92½
United Amuse.	5	'56	99	102	99
United Corp.	5	'53	98	101	98
Unit. Grain Gr.	5	'48	96	99	96
Do.	5½	'49	99	102	98½
Union Gas	4½	'43-'50	98½	101½	98
‡Wabasso Cotton	4½	'51	97	100	97
†Western Grain.	6	'49	78	82	77
Windsor Hotel.	6½	'43	70½	...	70
Zimmerknit	6	'51	100	...	100

‡Payable in Canada or U. K. †Payable in Can., U. S. or U.K. *Payable in Can. or U. S.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Jan. 19, 1937

Stock	Bid	Asked
Industrial Stocks:		
Acadia Sugar, pfd.	5.20	[illegible]
Acme Farmers Dairy, pfd.	40.00	[illegible]
Andian National	49.50	[illegible]
Assoc. Tel. & Tel., pfd.	51.00	[illegible]
B. C. Pulp & Paper, pfd.	25.00	[illegible]
Burns & Co., A	13.00	[illegible]
Do., B	7.00	[illegible]
Can. Steam., new com.	6.25	[illegible]
Do., new pfd.	16.50	[illegible]
Can. Tube & Steel, com.	8.00	[illegible]
Do., 1st pfd.	74.00	[illegible]
Do., 2nd pfd.	18.50	[illegible]
Can. Wire & Cable, pfd.	114.00	[illegible]
Can. Airways	10.00	[illegible]
Can. Industries, A com.	243.00	[illegible]
Do., B com.	240.00	[illegible]
Do., pfd.	164.50	[illegible]
Can. Ingersoll-Rand	129.00	[illegible]
Can. Westinghouse	72.00	[illegible]
Chase, A. W., pfd. bonus	27.50	[illegible]
Claude Neon Gen. Adv., pfd.	9.00	[illegible]
Conduits Nat., com.	6.00	[illegible]
Dom. Found. & Steel, com.	106.50	[illegible]
Do., pfd.	96.00	100.00
Dominion Rubber, pfd.	99.00	101.25
Dunlop Tire, pfd.	80.00	83.00
Federal Grain, com.	4.75	5.25
Do., pfd.	48.50	50.00
Goderich Elevator	9.00	10.00
Great Lakes Paper, com.	15.25	16.25
Do., pfd.	37.00	38.00
Greening Wire, pfd.	106.50	112.00
Guelph Carpet, pfd.	105.25	106.50
Do., com.	24.00	25.00
Hayes Steel Prod., com.	7.50	9.50
Do., pfd.	7.30	8.25
Highland Dairy, com.	3.25	4.50
Do., pfd.	81.00	85.00
Inter City Baking, com.	37.00	39.00
New Method Laund., pfd. bonus	84.00	....
Perfection Pete., $1.50 pfd.	2100	25.00
Provincial Paper, pfd.	106.00	107.50
Reliance Grain, pfd.	96.50	98.50
Rob. Consol. Cone	9.00	9.75
Ruddy, E. L., pfd.	41.00	43.50
Standard Fuel, com.	9.00	10.00
Do., pfd.	105.50	108.00
Supert. Petroleum, B pfd.	27.25	28.00
Western Grain, pfd. bonus	13.50	....
Trust & Loan Stocks:		
Chartered Trust	88.00	....
Commercial Finance, com.	2.70	3.00
Guelph Ont. Inv., par $50	49.00	51.00
London & Western Trust	54.00	....
Sterling Trust	36.00	....
Traders Fin., B 7% pfd. bon.	85.00	....
Trusts & Guarantee	30.50	32.50
Insurance Stocks:		
British America	51.00	....
Canada Life	530.00	545.00
Canadian Fire	77.00	....
Canadian Ins. Shares	13.00	....
Confed. Life 20% pd.	111.00	115.00
Crown Life Ins. 100% pd.	150.00	....
Dominion Fire Ins.	135.00	....
Dominion Life 50% pd.	270.00	300.00
Dom. of Can. Gen.	121.00	130.00
Empire Life 25% pd.	7.50	8.50
Excelsior Life 30% pd.	69.00	72.00
Federal Fire 25% pd.	42.00	....
Fidelity Ins. of Can.	47.00	....
Great-West Life	360.00	375.00
Guar of N.A., fully pd.	290.00	....
Halifax Fire	22.00	23.00
Imperial Life	365.00	....
Manufacturers Life	245.00	255.00
Monarch Life 10% pd.	19.00	22.00
Sovereign Life 25% pd.	15.00	18.00
Sun Life	965.00	1000.00
Toronto General	5.50	6.00
Western Assurance, com.	46.00	48.00
Do., pfd.	40.00	45.00
Theatre Stocks:		
Allens Beach, pfd.	69.00	72.00
Do., Kingston, pfd.	65.00	....
Do., Parkdale, pfd.	73.00	....
Do., Toronto, pfd. bon. c.	31.00	35.00
Eastern Theatres, pfd.	70.00	75.00
Loew's Buffalo, pfd.	3.50	4.00
Do., London, pfd.	3.00	3.30
Do., Toronto, pfd.	117.00	....
Mansfield Theatre, pfd.	38.50	41.00
Paramount Kitchener, pfd.	54.00	....
Do., Oshawa, pfd.	89.50	95.00
United Amusement, A	25.00	....
Do., B	24.50	....
Investment Trust Shares:		
Can. Gen. Invest. Ltd.	10.70	11.00
Can. Int. Inv. Trust Units	106.00	....
Can. Investors Corp.	9.50	10.00
Cons. Div. Std. Sec. Units	19.00	20.25
Corporate Investors	....	8.00
Dom. Scott. Invest. Units	45.00	....
Invest. Foundation Units	65.00	67.00
Lon. Can. Invest., com.	2.50	....
Do., pfd.	52.00	....
Sec. Holding Corp. Units	24.50	25.50
Third Can. Gen. Invest. Tr.	2.25	....
United Corpns., A	28.50	30.00
Do., B	28.50	30.00
Power Issues:		
Calgary Power, pfd.	80.50	82.00
Can. West. Nat. Gas, pfd.	91.00	92.50
Do., com.	25.00	27.00
Great Lakes Power, pfd.	99.00	101.00
Inter. Util., $1.75 pfd.	14.75	16.50
Do., $7 pfd.	98.00	....
Montreal Island Pwr., pfd.	15.00	....
Nor. Ont. Power, pfd.	103.50	105.00
Nova Scotia L. & P., pfd.	105.50	....
Do., com.	96.00	....

Unlisted Mines

Jan. 19, 1937

Mine	Bid	Asked
Admiral	.35	.37
Amos Cadillac	.28	.30
Albany River	.97	1.00
Algold	.58	.60
Algoma S.	2.05	2.25
Arno	.05¾	.06½
Athona	.30	.33
Arrowhead	.46	.49
Area	.08	.08½
Bailor	.07	.08
Bathurst (new)	.04	.05
B. E. A. R.	..	.25
Bid'L'aque	.48	.50
Big Long Lac	.05½	.06½
Big Master	.29	.31
Bilmac	.18	.21
Black G.	.41	.43
Blue Star	.25	.27
Beresford L.	.50	.55
B. Breest	.28	.30
Brengold	.16	.19
Bousquet	.10	.11
Cal. Flin. F.	.13	.15
Can. Pan.	.17	.19
Can. Kirk.	.04¼	.04¾
Canadalaca	.34	.36
Cal. Bousquet	.37	.40
Casey S.	.24	..
Casey C.	.03	.04
Centrecour	.27	.30
Colonial	.41	.44
Coin Lake		.22
Condor	.06½	.07
Cont. Kirk.	.62	.65
Cres. Kirk.	.30	.32
Coulson C.	.32	.34
Cuniptau	.11	.13
Darwin	.31	.35
Dempsey Cad.	.33	.35
Den. Nic.	.33	.36
Durlak	.19	.22
Dean. Cad.	.26	.29
Don. Mar.	.30	.32
Doreva	.69	.70
Dunlop New	.16	.17
Electra P.	.45	.48
Empress Cons.	.48	.52
Eva Lake	.16	.18
Faulkenham	.38	.39
Forty Four	..	2.50
Franklin	.02½	.03
Frontier	.18	.20
Garnet	.07	.08
Gateway Pat.	.13	.16
Gilbec	.05	.06½
Gillies La.	.55	.57
Goldside	.08	.07
Gold Eagle	.73	.78
Golden Gate	.50	.52
Gordon Lebel	.17	.20
Hayes Cad.	.15	.17
Holtyrex	.03½	.04½
Horshoe	.11	.12½
Hudson Pat.	.14	.16
Hut. Lake	.22	.24
Jelicoe	.61	.64
John. Nip.	.06½	.07½
Kaw Crow	.24	.27
Kenecho	.15	.17
Kenricia	1.15	1.20
Keora	.07½	.08½
Kerr Addison	1.80	1.85
Kew 'Gama	.60	.65
King Kirk	.06½	.07
Kirgood	.27	.29
Kirk. Goldbelt	.14	.17
Kirk Gate	.26	.30
Kirk King	.24	.27
Lafayette	.04	.04½
Lake Geneva	.52	.55
Lamaque	8.75	9.25
Leitch	.90	.93
Madsen	1.50	1.53
Magnet	.14	.15
Mal Gold	.55	.58
M. McNeilly	.05	.07
Martin. B.	.52	.54
Margaret	.57	.59
Maritime	.43	.45
Matona	.35	.38
Man. Basin	.02¼	.05¼
Matachewan Can.	.19	.22
Moffatt New	.08	.09
MacFarlane	.05½	.06½
McC. Webb	.51	.54
McV. Kirk.	.10¼	.11¼
Mooshla	.55	.57
Monarch	.37	.39

UNLISTED MINES—(Continued)

Mine	Bid	Asked
Mosher	.45	.48
Murmac	.09	.11
Mormet's	1.65	1.90
N. Shores	.05½	.06½
Oklend	.66	..
Old Diamond	.44	.46
O'Leary	.18	.20
Opem. Copper	.50	.55
Oriole	.14½	.15½
Ossian	.10	.12
Pan. Cad.	.89	.92
Par Mal.	.28	.30
Pascalis	.45	.48
P. Rouyn	.20	.22
Porcupine McNabb	.21	.23
Porc. G. R.	.02	.03
Porc. Unit.	.12	.14
Phoenix Molib	.60	.65
Perc. Tr.	.17	.19
Porcupine Lake	.47	.50
Porquin	..	.17
Prop'tar	1.06	1.10
Queensb'o	.21	.23
R. Crest	1.70	1.75
Rajah	.27	.30
Richmac	.40	.42
Roeanor	.32	.35
Rouyn Reward	.12	.13
Rubec	.09½	.10¼
Sand River	.42	.45
Schreiber	.14	.16
Shenango	.30	.32
Silver Val.	.16	.18
Skookum	.20	.22
Siscoe Ex.	.53	.56
Slave Lake	..	3.50
Smelter	.08½	.09¼
S. Keora	..	.09
Spooner	.20	.22
Sturgeon River	.40	.44
Springer	.13	.16
Tonawan	.08½	.09½
Up. Can.	.48	.50
Wesley	.34	.33
Wascanna	.20	.22
Westside	.08½	.10
West. Red Lake	.05	.07
White Horse	.20	.23
Valloe	.11½	.12¼
Wendigo	.20	.32
Winoga	.40	.44
Young D.	.20	.22
Young S.	.15	.18
Ypres Cad.	.36	.39

Winnipeg Stocks

(Transactions from Jan. 11 to Jan. 16)

Stock	Sales	High for period	Low for period	Close Jan. 16
Bailor Gold	2,000	.08	.05	.07½
Cres. Cream. pf.	49	36.00	36.00	36.00
Cons. Goldfields	5,200	.30	.22	.30
Cryderman	12,500	.04	.03	.03½
D. Envelope, c.	1	1.50	1.50	1.50
Flin Flon	19,925	.18	.16	.17
Geneva	100	.65	.65	.65
Gt. Falls M.	18,250	.33	.20	.30
Gold Lake	19,351	.05	.04	.05
Gurney Gold	5,400	.52	.50	.50
Island Lake	7,000	.04½	.03½	.04½
Kingfisher	1,400	.01½	.01½	.01½
Optic Lake	120	1.15	1.15	1.15
Ore Grande	6,200	.15	.13	.14
Monarch Life	125	21.00	21.00	21.00
Mandalay	2,000	.05	.04½	.04½
Packsack	19,200	.32	.29	.30
Sachigo	460	18.00	17.00	18.00
Vanson Man.	3,000	.01½	.01½	.01½
Wings Ltd.	1,505	2.65	2.40	2.45
Wpg. R. Tin	3,000	.02	.01½	.01½
Wallace Lake	12,700	.03½	.03	.03½
Wylie Dom.	2,400	.43	.40	.40
Wingold	13,200	.05½	.05	.05½
West. Brew.	1,575	1.25	1.10	1.10
West. Steel, pf.	60	7.00	7.00	7.00

Stocks Not Traded in During Week*

Stock	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
Comm. Securities	..	10
Home Invest.	19	..
Northern Mtge., part pd.	..	3¼
North. Can. Mtge., pf.	4	..
Northern Trust	..	8
Traders Bldg.	90	96
United Grain	10	10¼

*Stocks more active on other exchanges not included.

Week in Wheat

Market Is Quieter As Supplies Increase

Easing of Political Tension in Europe and Heavy Shipments from Argentine Allay Immediate Fears of Shortage

From Our Own Correspondent

WINNIPEG.—An easier political situation in Europe is thought by many observers of the wheat market during the past few days to be indicated by the gradual recession in prices that has been in progress. But a more important reason for the decline is the rapid rate at which Argentine and Australian new crop wheat has been put afloat. Stocks are being rapidly built up and are likely to increase still further for another two weeks or until Argentine arrivals in Europe balance weekly shipments.

Liverpool talks of the possibility of heavy German purchases of food stuffs if an Anglo-French loan can be floated. The fact, however, that purchases are thought to be contingent upon such financing raises a doubt as to what can actually be done in case the loan is not forthcoming. Italian purchases of Argentine wheat are said to have been resumed, but in view of recent reselling of some cargoes afloat such buying is believed small.

Some recent weakness is also contributed by a somewhat more cheerful view of United States winter wheat prospects. For a few days worry had been expressed on account of ice covering of a large part of the Kansas wheat area. Nothing is more likely to cause winter killing than such a development, but the dangerous season in the South is passing.

Quiet Just Now

BARRING unusual developments in Europe the present relative quietness in the Canadian wheat market may be expected to continue until the present rush of Argentine and Australian new crop shipments subsides. For the time being there appear to be sufficient quantities of this new wheat to keep world importers supplied.

Moreover the fact that Canadian wheat is still being offered only at a very substantial premium over Argentinian grain is an obstacle to free Canadian selling especially in Continental Europe where, of course, there is no Empire preference.

* * *

Potential Fireworks

BUT wheat observers are by no means certain unusual developments may not occur. The fact that Germany with its record of a meticulous civil service should recently blandly admit a mistake of a mere 130 million bushels in estimates of current year's requirements, offers fairly convincing assurance that the present are not normal times. Other European countries which a few years ago were dumping surplus domestic wheat on a very convenient market, may possibly discover similar mistakes now that there is no longer an ample world surplus

In Great Britain, too, plans for establishing war emergency food reserves have not been abandoned. Any definite developments along any of these lines, naturally, would immediately upset the present close relation between supply and demand and might easily precipitate a new buying crisis.

* * *

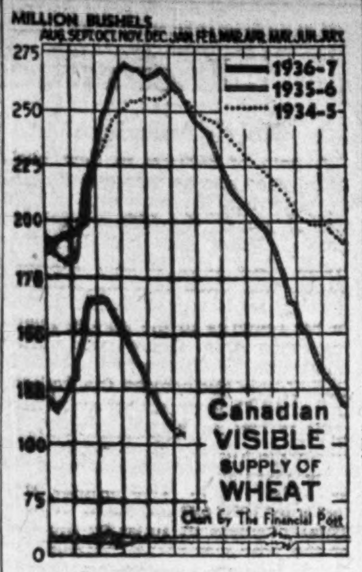
Flour Exports Gain

RECENTLY announced much higher exports of Canadian flour will be good news to Canadian milling companies particularly and to the country generally because this industry is closely allied to the grain trade. In the heyday of Canadian milling for a decade following the Great War annual Canadian flour exports averaged close to 10 million barrels. Recently they have been less than 50% of that figure. To get back to even a reasonably prosperous basis millers estimate that Canada must export at least seven million barrels.

During the early part of 1936 it looked as if some of this lost ground would be regained but the late summer and fall months were disappointing. December witnessed sharp recovery, but not enough to put total volume for the year ahead. In value, however, a definite gain, both over 1935 and the two preceding years, was recorded.

Present indications for continued substantial improvement in flour exports are understood to be favorable, though, of course, not a great deal can be staked on one month's showing.

Introduction of Canadian flour often means that local millers must turn to a hard wheat in order to produce a competitive flour. And as Canada continues to be the world's chief source of export hard wheat, such switching invariably benefits grain sales from this Dominion.



QUIET

As generally anticipated with the commencement of heavy Argentine selling quieter times now prevail in the Canadian grain trade. This condition is expected to continue until the rush of new crops from the Southern Hemisphere is over or unless Canadian prices get more into line with those accepted by Argentine exporters.

Canadian visible is slowly approaching the 100-million-bushel mark which is the lowest point reached at this time of year in almost a decade. The opinion is now freely expressed that visible may easily drop to 25 millions by July 31 next. This would be about 15 million lower than the old average of pre-pool days and certainly would be about the limit with safety, especially if the new crop was late.

Details in bushels are as follows:

Canadian Visible

Week of Jan. 15	Week Previous	Last Year
107,254,000	110,115,000	251,799,000

Export Clearances*

Week of Jan. 15	Week Previous	Last Year
3,724,188	2,508,302	4,293,812

*Plus U. S. imports.

Flour Exports Gain Sharply

Best December Shipments in Four Years — Wheat Total High

After a considerable decline in flour exports throughout the latter part of 1936 there was a sharp pickup in December and business since the end of that month is also understood to have shown improvement. Exports in December, 1936, were the best for that month in the last four years while the average price of close to $5 per barrel was the highest since before the depression.

In 1936 total value of flour exported exceeded 1935 by over 5% and was still farther ahead of 1934. In volume, however, there was a small loss as compared with 1935 and a still bigger drop from the immediately preceding years.

However, the gain in the last month of 1936 and in the first part of that year bears out the claim of flour authorities that the old export market of more than double the present volume can be regained gradually though the winning back may take longer than the losing. Figures in detail follow:

Flour Exports

Dec.	Average Price	Barrels	Total Value
1936	$4.97	475,282	$2,362,644
1935	4.20	443,828	1,866,959
1934	3.80	340,751	1,297,481
1933	3.51	418,183	1,471,708
Nov., 1936.	$4.74	408,650	$1,939,289
12 Months ended December			
1936	$4.25	4,850,071	$20,638,718
1935	3.89	4,881,057	19,001,050
1934	3.63	5,053,732	18,377,483
1933	3.41	5,570,424	19,016,758

Wheat exports in 1936 as indicated by previously published weekly figures, were far ahead both in volume and value of the previous year and also those of 1934 and 1933. As the big export movement of wheat commenced early in December, 1935, however, the gain for the last month of the year was not as impressive as for the months immediately preceding.

Wheat Exports

Dec.	Average Price	Bushels	Total Value
1936	$1.12	20,427,916	$22,893,086
1935	.80	17,043,882	13,672,087
1934	.77	17,336,206	13,405,509
1933	.64	17,457,963	11,300,336
Nov., 1936.	$1.09	33,308,840	$36,620,971
12 Months ended December			
1936	$0.93	243,041,530	$226,913,763
1935	.82	165,672,671	137,152,807
1934	.78	167,913,055	131,157,717
1933	.63	192,274,861	122,687,686

N. S. Gold Production

The production of gold in Nova Scotia rose from 9,376 fine ounces, worth $329,942, in 1935 to 11,125 fine ounces, worth $389,709, in 1936.

Grain Probers May Turn Fire On the Banks

Interest on Government-guaranteed Loans To Be Discussed

END NOT IN SIGHT

From Our Own Correspondent

WINNIPEG.—Grinding as slowly as the mills of the gods, and with a corresponding degree of thoroughness, the Royal Grain Enquiry Commission goes on, with every indication of being some months at its work.

The current stage is a presentation on behalf of the grain trade, through a series of witnesses, of the regular functioning of the machinery of the trade. That includes the use of the futures market, the reciprocal nature of selling and buying "hedges," and the place of the speculator in taking up the slack.

Colonel Ralston, chief counsel to the Commission, makes it evident from his questioning that he intends to have a very thorough description of the trade as it now operates, and as it relates to changed conditions that have come about in the world since previous enquiries were held.

Counsel Clash

Pool counsel during the week challenged a passing reference in an Exchange brief to harmful effects of Pool policies on Canadian wheat trade, only to be met with a sheaf of clippings which were read into the record indicating overseas hostility commencing as early as 1925 to Pool policies.

Another sheaf of clippings came out in reply to a suggestion that Pool promoters had always been in favor of Government marketing as something better than co-operative action. These showed that some Pool officials at least, had formerly spoken of Government marketing as undesirable.

Two outside experts are soon to be called. One is Dr. Alonzo Taylor, head of the Food Research Institute of Stanford University, who is expected to deal with the world wheat situation. Dr. Harald S. Patton, who wrote a book on Farmers' Co-operation in Western Canada, at a time when the pools were flourishing, is to be called by the Commission, no doubt to bring his observations up to date.

Bank Benefits

Benefits to the banks from stabilization operations are likely to be discussed before the Commission is over. The cost of those operations consisted largely in interest paid to the banks on loans guaranteed by the Government.

The chairman of the western subsection of the Canadian Bankers' Association appeared, innocently enough, before the Commission to give the oft-repeated story of how the banks lend money on the security of grain, but require such grain to be sold for future delivery, so that they may not become involved in any losses of their clients.

This rate on grain loans has been reduced recently, largely due to competition from United States banks. Canadian banks charged higher rates than those now prevailing when they had Government guarantees against losses, and higher rates on Government guaranteed grain loans than the prevailing rates on Government borrowings.

To what extent all that was proper and sound is likely to be a matter of some considerable debate before the banks escape from the inquisitorial eyes of the Commission.

Commodity Prices

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$7.25	$7.25	$6.75
Hogs	9.25	9.25	9.25
Copper, lb.	.13	.12	.09¼
Cotton, lb.	.1307	.1306	.1185
Rubber, lb.	.2194	.2204	.1415
Sugar, raw, lb. ..	.0381	.0396	.0325
Silk, lb.	2.26	2.21	1.93
Wheat (Man.) bu.	1.24⅞	1.28⅜	.85⅛
Coffee, lb.	.09	.08⅞	.06⅝
Hides	.14½	.14	.11½
Weekly Indices			
N. Y. Annalist	139.3	137.9	128.2
Fishers'	90.7	90.1	83.8
N. Y Journal of Comm.	87.3	88.3	78.9
Crumps (Brit.)	78.4	77.8	68.6
U. S. Labor	84.1	83.7	80.6
Canada (D.B.S.) ...	80.9	80.8	72.9

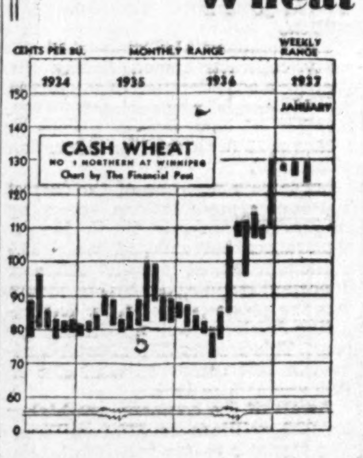
Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Dec.)	81.8	81.7	80.5
W'sale (Dec.)	79.7	77.2	72.5
U. S Labor (Nov.)..	82.4	81.5	80.6
Gt. Brit. (Nov.)	86.1	85.5	79.9

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929=100 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows: Hogs—select bacons, Toronto

Wheat Prices



(Cash Quotations)

	For Week Jan. 19 High	Low	Prev. Week High	Low
1 Man. Hard ...	1.29	1.23	1.28¾	1.26⅝
1 Northern	1.29	1.23	1.28¾	1.26⅝
2 Northern	1.27¼	1.21½	1.27¼	1.25⅛
3 Northern	1.24½	1.18½	1.23¾	1.22⅜
4 Northern	1.18½	1.12½	1.19½	1.17⅛
5 Wheat	1.14½	1.08½	1.16⅛	1.13⅛
6 Wheat	1.13½	1.07½	1.13⅛	1.10⅝
Feed Wheat	.95½	.89½	.98⅝	.94⅝
Vancouver: Week to Jan. 18:				
1 Northern	1.29	1.24⅞	1.29	1.26⅜

Competitive Export Prices: Jan. shipment.

Week to Jan. 16	High	Low
No. 1 North. (Vanc.) ...	1.55¾	1.50⅜
No. 2 North. (Atlan.) ...	1.53½	1.52¾
No. 1 North. (Atlan.)† ..	1.55	1.51⅛
No. 2 North. (Vanc.) ...	1.52¼	1.47¼
Australian (afloat)	unquoted	
Australian	1.37¾	1.35¾
Argentine Rosafe†	1.22¾	1.20⅜
Indian (choice Karachi).	1.39⅝	1.36½

†Jan.-Feb.

Winnipeg Grain Futures

Week to Jan. 19, 1937

Crop year from Aug. 1, 1936 High	Low		Open Jan. 13	High for week	Low for week	Close Jan. 20
		Wheat				
1.30¾	1.05⅝	May	1.28½	1.29⅛	1.21¾	1.22½
1.26⅜	1.03¾	July	1.23⅝	1.24⅛	1.17¾	1.18⅛
1.15	1.08	Oct.	1.12¾	1.13⅛	1.08	1.08½
		Oats				
.58	.42¼	May	.55¼	.58	.54½	.54⅞
.55⅛	.43⅜	July	.52¼	.55⅛	.51¾	.52¼
		Barley				
.88⅞	.50⅞	May	.83	.88⅞	.81	.81¾
.77¼	.56¾	July	.75⅛	.77½	.71⅜	.71⅜
		Flax				
1.75⅞	1.60½	May	1.74	1.75⅞	1.69	1.69
1.76	1.63¼	July	.. .	1.76	1.69	1.69
		Rye				
1.14⅞	.62⅝	May	1.07¼	1.08⅞	1.00½	1.01⅝
1.12⅛	.78¼	July	1.03¾	1.08	.97½	.97½
.92½	.84	Oct.	......	.92½	.84	.84

Bankers' Early Training Received From Mines

(Continued from page 13)

kind of shindig. Somewhere, from the associations formed at that time, came the name "Logie."

Lumber Trade Experience

When his bank was absorbed by the Canadian Bank of Commerce in 1903, "Logie" was shifted to Wiarton, Ont. The transfer was dictated by the first visit of the Commerce inspector. On that occasion, the inspector remarked, "I hear young man, that you can mine coal and roll steel rails with the best of them—so what would you like to master next?"

The reply was prompt and emphatic, "I would like to learn something about the lumber business." And learn it he did.

His work had already attracted the attention of the higher-ups when the Cobalt mining area began its mushroom growth. A mere boy of 24, Logan was entrusted with a pioneer office of the bank in the new town. In the year following his appointment, no less than $75 millions poured into Cobalt.

Primitive Banking

His present office presents a vivid contrast to that first branch in Cobalt. The man who now occupies the presidential suite in the British Empire's tallest building was then housed in an ordinary wall tent, with only a rough sign to indicate that it was a bank. Deep carpets have replaced the rough wood and earth which were the floor; polished walnut desks substitute for the rough, oilcloth-covered plank which served as a counter; smoky oil lamps and stoves have given way to the last word in heating and lighting equipment.

But it was poring over the records in the semi-frigid atmosphere of that tent, coupled with the wealth of training in human nature afforded by contact with the rough and ready miners, which has gone far to make S. H. Logan as he is known today. His success at Cobalt led to his appointment to open the bank's office in the Gowganda and Porcupine mining districts.

Broad Training

By this time Mr. Logan had acquired a thorough knowledge of several of Canada's leading industries. Further, to be a successful banker in Cobalt meant that he had to become familiar with conditions in the silver producing or importing countries such as the United States, Mexico, China and India.

Following his sojourn in northern Ontario, he made a special survey for the bank of conditions in the West, supplementing his knowledge of his home country, and then left for Newfoundland.

It was the experience obtained in Newfoundland, he is convinced, that led to his appointment in 1917 as supervisor of the bank's foreign department. Newfoundland traded, as she still does, with a very large number of countries, and the contacts made at that time proved invaluable. While there, not content to be merely the bank's agent in accepting deposits, Mr. Logan studied thoroughly the situation in the great fish-importing countries such as Portugal, Spain, Italy, Greece and the West Indies.

Organizes Foreign Department

Recalled to head office, Sir John Aird, then general manager, took him aside and instructed, "I don't know just how you will go about it, but organize a foreign department."

Organization work at this end completed, Mr. Logan determined to acquire still more first-hand information of foreign markets. It was in this rôle of the bank's trade ambassador that he came more directly under the eye of President Sir Edmund Walker. When Logan informed Sir Edmund that he proposed taking a trip to Australia and New Zealand, the latter admitted a yearning to visit those countries himself and confided that if it were not for an imminent annual meeting he would be tempted to go along. When told that was only the beginning, that afterwards a visit to the Philippines, China and Japan, was contemplated it was too much. Sir Edmund determined to "join the boys" for the second leg of their journey.

Friendship and respect were established more intimately on that trip, so much so that when Sir Edmund visited South America a few years later, he chose Logan to be his fellow traveller.

Appointed to New York

His experience abroad made him a logical choice to become the senior representative of the bank in New York. That appointment was made in 1923. Three years later, he was once more recalled to head office, this time to occupy the general manager's office.

His business interests confined almost entirely to banking, Mr. Logan's only other directorate is with the Toronto Savings and Loan Co. He was president of the Canadian Bankers' Association in 1936, and was re-elected this year, but whether he will continue as such in his new office is yet to be determined.

"Sound" Banker

A "sound" banker, Mr. Logan is nevertheless a "middle of the course" man. That is, while he certainly takes very vigorous exception to the ridiculous claims of those who make unfounded charges against the Canadian system, he is quite willing to admit there may be room for improvement. Bankers are not supermen. There is in banking, as in any line of endeavor, the element of human error to be taken into consideration. Allowing for this element, he does believe that the banking system which has been developed in this country is well adapted to its needs, and is being administered as nearly perfectly as is possible.

Began as Junior

Like that of Mr. Logan, Mr. Arscott's introduction to the banking field was quite ordinary. Just out of high school and needing a job, he was approached by the manager of the Walkerton bank who was casting about for a good junior. The idea appealed to young Arscott, chiefly because his conception of a job in a bank was that he would literally follow the hours posted in the window "10 a.m. to 3 p.m."

As a matter of fact, he did take this literally his first day at work. At three o'clock he simply put on his hat and went home. He very nearly was not allowed to go back. However, a lecture on the responsibilities of a banker, and a future general manager's career was resumed.

From Walkerton he went to Seaforth, to London and to Elk Lake. In the latter area, and in Gowganda, he pioneered in the early mining camps. He cannot lay claim to banking in a tent, but his mining memories are far from soft. Doing business in a large log cabin, sleeping in the attic, the staff of three at Elk Lake managed to survive the meals which they were obliged to cook themselves.

Canoe Delivery

When he first arrived at the Elk Lake office, collections had to be delivered across the lake by canoe. Unfortunately, Mr. Arscott's experience in that art was practically nil. When a man fell overboard it was customary for all the tugs and boats in the neighborhood to "whistle." So frequently was Mr. Arscott the victim, that whenever those on shore heard a racket, word would go round "Arscott's in again."

The time he spent in the mining districts, Mr. Arscott considers the most interesting of his life. To him it meant a change in his mode of living, meeting a different type of people, a type with whom one could come closer. It resulted in many lasting friends.

For the most part, Mr. Arscott's banking career has been "general." Unlike his predecessor as general manager he has not travelled widely in the bank's affairs. After leaving the mining areas, he served in various capacities in Toronto, Montreal, Belleville, Sherbrooke and Tillsonburg.

Further Promotion

In 1919 he became assistant inspector at Head Office; in 1920 assistant manager at Ottawa, and two years later, assistant manager at Toronto. He occupied that position until promoted to assistant general manager in 1929.

Not Superstitious

The number 13 holds no terrors for him. When it was pointed out that in the last 13 years he has advanced from assistant manager at a small city branch to his present position, he explained that the number bears a special significance for him. His appointment as assistant manager at Ottawa was made on the 13th of the month; that as assistant manager at Toronto came on the same date. And on Jan. 13, 1937, he was appointed general manager.

His success can be attributed to his "desire to get on." Throughout his business life, he has planned ways to get promoted; ways to obtain recognition from higher officials. This was aptly illustrated early in his term with the Toronto branch office. Assigned on his first day a job with which the bank had been having difficulty for some time, he settled down to solving some way in which the trouble could be overcome. He literally worked day and night for a month. At the end of that time he was able to walk into the accountant's office and present a statement only one day after it was scheduled. Previously, the report was generally two or three weeks late. The effect was as anticipated. The accountant drew the feat to the attention of senior men. As a consequence, Arscott was immediately given a more responsible job.

His approach to banking is very matter of fact. Able to trade theories with the best, he possesses the rare attribute of being able to strip off the theory and apply actual practice. His associates find him full of common sense—forceful but not erratic—definitely a man of great personal vigor.

His hobby is work. Apart from that he whiles away leisure hours in those favorite pastimes of bankers, golfing and fishing. He generally manages to set aside some time for reading each night, and is a great believer in having some time to himself. Sunday is definitely his own day. He makes no plans for it apart from seeing that it is kept absolutely free to do whatever his mood dictates.

Banking Trend

Banking has changed tremendously since he entered the ranks. Then, branches were urged to get deposits. The country was in a stage of rapid development, and this was essential to take care of loaning needs. Today, the banks have more money than they can loan. He does believe, however, barring war or some other major catastrophe, that Canada is on the brink of still further development, and that this cannot but be reflected in banks' loans.

Progressive in nature, he feels that the banks have to be on the lookout for "new lines of banking." On the experience of recent years, more rapid production, smaller inventories and allied factors, indicate that loans may not reach the same proportions, relatively to total assets, as in the boom years of the past. It is rather difficult to predict, however, if this will actually prove the case when prosperity gets into full swing. In any event, he does feel that the banks should explore alternative lending channels.

Pacific Mills Ltd. Calls Last Bonds

Pacific Coast Producer Redeems Last of Debt

From Our Own Correspondent

MONTREAL. — Pacific Mills Ltd. will retire the last of its remaining outstanding funded debt on Feb. 1. This company, a subsidiary of Crown-Zellerbach Corp., operates pulp and paper plants at Ocean Falls and Vancouver.

Bonds of the total par value of $714,000 will be redeemed. Payment will be made in United States funds, at par, together with a premium of 1½%.

In August, 1935, Pacific Mills redeemed the balance of its first mortgage serial gold bonds, thereby reducing bonded debt to under $1.5 million in guaranteed subordinated mortgage 6% bonds due 1945. Subsequently at six months intervals, large blocks of the remaining debt were redeemed, leaving only $714,000 to be paid off at the first of next month.

Prepare For Fishermen

According to a survey of the Department of Fisheries, more than 600,000 speckled trout fingerlings were raised at Quebec Province fish hatcheries in the summer of 1935—a big increase since 1930 when slightly more than 100,000 were raised.

Complete Hearing Of Solloway Appeal

Hearing has been completed in the Supreme Court of Ontario of an appeal by I. W. C. Solloway against a report made Feb. 24, 1936, by O. E. Lennox, assistant master. Judgment is expected to be delivered shortly. The appeal is in connection with the former stock brokerage firm of Solloway Mills & Co., Ltd., in liquidation. Mr. Lennox reported that Solloway was accountable and should pay to the liquidator sums totalling $3,296,591 with interest at 5% to the date of payment.

Pulp and Paper Men Arrange Annual Meeting

From Our Own Correspondent

MONTREAL.—Plans have been completed for the annual meeting of the Canadian Pulp and Paper Association, to be held in Montreal from January 27 to 29. The Technical and Woodlands sections have arranged separate programs, while certain general features such as the annual luncheon and meeting, will take in all sections.

A feature of the meeting this year will be an exhibition of pulp and paper machinery and equipment organized by Canadian Exhibition Co. under the auspices of the Woodlands Section.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 27th January, 1937, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 8th December, 1936.

The Royal Bank of Canada

DIVIDEND No. 198

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the Bank and its branches on and after Monday, the first day of March next, to shareholders of record at the close of business on the 30th day of January, 1937.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., January 15th, 1937.

The Bank of Toronto

Dividend No. 222

Notice is hereby given that a Dividend of Two and One-Half per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of March next, to shareholders of record on February fifteenth, 1937.

By Order of the Board.

H. B. HENWOOD,
General Manager.

McIntyre Porcupine Mines

LIMITED
(No Personal Liability)
DIVIDEND No. 73

Notice is hereby given that a dividend of ten per cent. (10%) on the Company's Capital Stock will be paid in New York funds on March 1, 1937, to shareholders of record at the close of business on February 1, 1937.

By Order of the Board,

BALMER NEILLY,
Treasurer.

Dated at Toronto, January 15, 1937.

Quebec Power Company

Notice is hereby given that a dividend of twenty-five (25c) cents per share on the common shares of the Company for the quarter ended December 31st, 1936, payable February 15th, 1937, to shareholders of record at the close of business on January 27th, 1937.

By Order of the Board.

JAMES WILSON,
Secretary.

Montreal, January 13, 1937.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that quarterly dividends of 25 cents per share on the Class "A" shares and 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending February 28th, 1937, payable on the 1st day of March, 1937, to shareholders of record at the close of business on the 12th day of February, 1937. Payable in Canadian Funds.

D. URQUHART,
Secretary.

Toronto, January 12th, 1937.

SIMPSONS, LIMITED

Preference Dividend No. 21

Notice is hereby given that a Dividend of One Dollar per share on the outstanding paid up six and one-half per cent. Cumulative Preference Shares of the Company has been declared payable on February 1, 1937, to shareholders of record at the close of business on January 25, 1937. The transfer books will not be closed.

FRANK HAY,
Secretary.

Toronto, January 16, 1937.

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Sixty-Eighth Annual Meeting of Shareholders of

The Royal Bank of Canada

Morris W. Wilson, President and Managing Director, Refers Optimistically to Year's Business. Recommends Commission to Investigate Financial Relationships of Dominion, Provincial and Municipal Governments. Stresses Necessity to Keep Recovery Orderly.

"Capitalistic System Will Stand or Fall Depending on Its Ability to Prevent Speculative Booms and Resultant Depressions."

Sydney G. Dobson, General Manager, Reports Continued Progress in Bank's Business. Increase of $56,000,000 in Deposits Noteworthy Feature. Improved Profits Encouraging.

"1936 A YEAR OF DEFINITE PROGRESS. BUSINESS IS UNDOUBTEDLY ON THE UP-GRADE."

The Sixty-eighth Annual General Meeting of the Shareholders was held at the Head Office in Montreal on Thursday, January 14th, at eleven o'clock a.m., Mr. Morris W. Wilson in the chair.

Mr. H. G. Hesler acted as Secretary of the Meeting and the Hon. Gordon Scott and Mr. A. A. Aitken as Scrutineers.

The Directors' Report was read by the Secretary.

PRESIDENT'S ADDRESS

Mr. Morris W. Wilson, Chairman, in moving the adoption of the Directors' Report, said:

I believe that you will regard the Report and Statements just submitted as satisfactory. It is evident that the Bank has continued to benefit from the improved economic conditions both at home and abroad. The steady expansion in deposits during the past few years is particularly gratifying; earnings, while somewhat better, are still not satisfactory. Further real improvement can be anticipated only from the hardening of interest rates, particularly on short-term government bonds, of which we are such large holders, or from a general increase in the demand for banking accommodation.

Last year at this meeting it was possible to state that the upward trend of business activity in Canada had become definitely established, but even the most sanguine would have hesitated to predict further progress as great as that which has been accomplished in 1936. National income has increased and the buying power of almost all groups of people throughout the country has improved. In agriculture, mining, forestry, fishing, and in the majority of manufacturing industries, business has been profitable.

In the midst of general satisfaction concerning business recovery, it may not be amiss to point out that there are many people who remain in business today primarily because the banks had confidence in them during the crisis. When we consider the large number of our clients who are now re-establishing themselves after a period of great difficulty, I think that we should take this opportunity to congratulate them as well as ourselves on the results of co-operation between customer and banker in Canada.

AGRICULTURE

A serious drought again affected large areas in the West, with results that were disastrous to the farmers immediately concerned. There are many farms which have not harvested even a fair crop for a number of years. The resulting situation can no longer be handled in its entirety by local authorities; it has become a national problem. Those farmers who reaped good crops last year benefited materially by higher prices, but, in the midst of a broad recovery which has brought other parts of national income to a dollar value equivalent to that of 1925 to 1928, farm income has lagged behind. The value of Canadian agricultural products last year amounted to about $750 million as compared with an average of $1,452 million in the period just mentioned.

It is gratifying that the stocks of grain in Canada are again of normal proportions. Nature is in a fair way to take the Government of Canada out of the grain business. It is sincerely to be hoped that she will not be drawn into it again. It cannot be said, however, that there is no wheat problem in Canada while foreign outlets are blocked by excessive tariffs, quotas and exchange restrictions. It is irrational that the Canadian farmer should dread a large crop when people are hungry in Europe. Every possible effort should be made to re-establish foreign markets for agricultural products. It would seem that there is here a sound basis for co-operation between Canadian and foreign governments with the objective of permitting Canadian farmers to assist in preventing those conditions of near-starvation which are stressed in recent reports of the League of Nations.

FOREST PRODUCTS

Prices for newsprint have shown a slight increase during the past year and this, together with a heavier volume of sales, has brought encouragement to the newsprint industry. It must be borne in mind, however, that costs, notably wages, have also increased; therefore the improvement in financial return is the result of operating at a higher rate of capacity. With few exceptions, the thousands of investors at home and abroad who created this industry by their courage and enterprise and by the investment of many millions of dollars, have been without any return on their investment for a number of years. It is to be hoped that this condition will not long continue.

In the lumber industry there has been a satisfactory volume of demand from Great Britain ever since the beginning of their building boom. This demand has been maintained during the past year and is the most important factor in the improvement of conditions in lumbering. During the year there has also been a resumption of sales to the United States. It is unlikely, however, that current export statistics give an adequate preview of the probable volume of demand from that market when building activity increases. While United States building figures for 1936 were well ahead of those for 1935, they still were less than 50 per cent. of normal.

MINING

The value of Canadian mineral production established a new high record in 1936, amounting to approximately $350 million compared with $312 million in 1935 and $310 million in 1929. Both gold and base metal production attained new high levels. With a large number of mines in new areas coming into production, with the activity in established areas increasing, and with every reason to believe that new discoveries will not be less important than those already in process of development, the prospects of the Canadian mining industry are more favourable than at any time in the past.

MANUFACTURING

Throughout the manufacturing industries of Canada, there has been expansion in activity during the past year. Volume of production has been above the level which prevailed in 1926 and in October reached the highest point recorded since July 1929. In individual branches of manufacturing, remarkable progress has been made. The amount of electrical energy generated in 1936 exceeded that in 1935 by about nine per cent. Iron and steel production exceeded the volume attained in 1926 by about 40 per cent., and leather boot and shoe production for the year exceeded that in the base year by about twenty per cent.; the gain in newsprint production amounted to fifty per cent. Textile mills have been operating at or near capacity during the year. Manufacturers of agricultural implements, foodstuffs, electrical equipment and supplies all report satisfactory gains.

EMPLOYMENT AND RELIEF

At the moment, manufacturing employment is close to normal. In mining, as a whole, the number employed is greater than at any time in our history. In trade the volume of employment is not unsatisfactory. Under these circumstances, I cannot but feel that the time has come to examine with care our lists of those receiving unemployment relief. It is a notable fact that there has been no census of unemployment since 1931. At a time like the present a biennial census would give our various governing bodies facts which would help them in determination of policies. For such workers as have been unable to find work I have the greatest sympathy, and for those who because of age or physical incapacity are unable to work, I acknowledge that there is public responsibility. Throughout the country as a whole, however, I believe the relief lists are longer than can be justified. For those who cannot support themselves let us make adequate provision, but let us be certain that the funds are expended for those in real need.

THE RAILWAYS

There has been little improvement in the Canadian railway situation which, next to unemployment, continues to be our most serious economic problem. Although there has been an increase in railway traffic and in receipts, this has been largely offset by the rise in operating costs, principally wages. National railway deficits therefore continue to be a heavy burden on the taxpayer. It is amazing to me that there is so much general complacency about a situation which, if not corrected, would seem to defer indefinitely the day of balanced Dominion Government budgets.

BUILDING

Construction contracts in 1936 failed to show any marked gain over the low level of 1935, and every reasonable effort should be made to encourage the resumption of building activity. In the publications of the Bank, emphasis has been laid upon the importance of durable goods, and notably the building industry, in the total economy of Canada. As construction activity expands, the general barometer of business rises. In this connection, we view hopefully the plans of the National Employment Commission. The Royal Bank of Canada, together with the other chartered banks, is giving full co-operation to this Commission.

FISHERIES

On the Pacific Coast there was the best run of Salmon since 1930 and the catch is commanding satisfactory prices. The halibut fishermen has also had a better year. In the Maritimes the prices of fish are well above those of the past two years, but the fishing fleets were small and the total earnings of the fishermen have continued low as compared with their return in good years in the past.

TRADE AND TOURISTS

With the general recovery in purchasing power there has been a corresponding improvement in wholesale and retail trade. The Christmas trade, for instance, was the best since 1929.

During 1936 the number of visitors to Canada showed a heavy increase over 1935. Recent estimates suggest that Canadian revenue from this source during the year amounted to $275,000,000. The increase in the number of visitors to the Maritime Provinces amounted to about twenty per cent. With new road programmes in both New Brunswick and Nova Scotia, and with extensive advertising in the United States, this business is taking on the importance of a major industry in the Maritimes.

DIVISION OF TAXES

The division of authority between the Federal and Provincial Governments rests upon the text of the British North America Act and upon nearly one hundred and fifty decisions of the Privy Council interpreting that Act. Delineation of the subject has been piecemeal, depending upon the contingencies of the moment rather than upon broad principles of effective government. Over a wide field of economic legislation it is virtually impossible to guess whether ultimate authority rests with the Province or with the Dominion. Certainly, the Fathers of Confederation did not foresee the difficulty of amending this Act with a view to adapting the forms of government to new conditions.

Let us secure a review of the whole subject by a Royal Commission with the object of resolving these complexities. Changed social and economic conditions have thrown responsibilities on various governing bodies that were never contemplated at the time of Confederation seventy years ago, and as a consequence it is found increasingly difficult, in some instances, to meet these additional responsibilities with the sources of revenue at their disposal. Having regard to the necessity of maintaining the national credit, if it is at all possible some solution must be found which will permit both provinces and municipalities to continue the service of their public debt in full. At the same time this Commission should give consideration to the question of double or overlapping taxation. For example, it can hardly be in the national interest that in certain provinces and cities it is possible for a person to be subject to income tax levies by three separate governments, namely, Federal, Provincial and Civic. In short, the financial relationships of the Dominion, Provincial and Civic Governments should be thoroughly overhauled.

FOREIGN TRADE

As compared with many other countries, Canada has been in a fortunate position in so far as the rehabilitation of foreign trade is concerned, since Canadian producers were among the first to benefit from the efforts of both Great Britain and the United States to restore world trade. During the past twelve months our exports have amounted to almost one billion dollars compared with $742 million in 1935 and $660 million in 1934. It is also noteworthy that exports during the year exceeded imports by about $450 million.

FOREIGN AFFAIRS

Undoubtedly, the broad improvement in international trade over the past two years has set forces in motion which ultimately will help to make the internal political situation in certain foreign countries less acute. With any substantial improvement in living conditions, democracies tend to be favourable to the government in power, and autocracies or dictatorships are also less fearful of rebellion. The pressures which make for warlike policies are relieved and general sentiment comes to favour peaceful settlement of international disputes. Excessive nationalism begins to give way to efforts to rehabilitate international trade. We have not yet reached a point in business improvement where we are free from all danger of war, but each month that passes without any major international crisis strengthens the constructive forces at work in all parts of the world. The danger of war is the one black cloud on the horizon. War would produce an immediate boom, but the after-effects might be an absolute disaster. I am afraid it would destroy economic democracy throughout the world.

INDIVIDUALISTIC DEMOCRACY

It is the fashion in certain quarters to say that the system of capitalism—or, as I prefer to term it, individualism—has failed.

In the past it has adapted itself to changes in economic conditions and social concepts, and there is no reason to think that such adaptations will not continue to be made. In fact, they must be made if the system is to survive. With Communism, Fascism and Nazism in competition, individualism will survive only if the benefits which it provides to the community continue to be greater than those conferred upon people living under other organizations of society.

If we would set an example to the world we must manifest that unusual degree of self-control which restrains booms and thus avoids subsequent depressions. Without that minimum degree of voluntary economic control necessary for such self-restraint, we will not avoid the mistakes of the past. No people can be expected to remain passive indefinitely under the excessive hardships of a great depression. At all costs, economic democracies must avoid another depression such as we have just passed through.

MONEY

It is for this reason then that the present monetary situation is an outstanding challenge to economic individualism. Can a popular government, such as that in the United States for instance, deal effectively with the monetary situation? The revaluation of gold by the United States and the reduction in the gold value of other currencies, made almost unanimous this past year by the capitulation of the European gold bloc, introduced a dynamic inflationary force into world economy. It is encouraging to note that this potentiality seems to be understood by the monetary authorities in the United States and that they are taking definite action. Gold entering the United States is not now allowed to increase the volume of bank deposits. It has been stated that statutory bank reserves may be further increased to an average of about 20 per cent. of deposits of member banks, and that additional measures making for the tightening of money rates are under consideration. The world has not previously experienced a period when borrowing rates have been so low for so long a time. If continued on this basis an unhealthy and artificial situation will develop. Easy money is a powerful force; it operates somewhat slowly, but to wait until it is evident that speculation is out of hand will be to create conditions which can be corrected only by depression. In some quarters we are asked to believe that the increased government regulation of general economy may make it possible to continue low interest rates more or less indefinitely. I feel strongly that this view is not correct and that the action now being taken is by no means premature. By use, if necessary, of the huge reserves already accumulated it will be possible to prevent any serious interruption in recovery. It is surely better that we maintain the upward trend for a prolonged period and that recovery shall proceed in an orderly manner, with the minimum of encouragement to irresponsible speculation. I do not suggest that we should be satisfied with our present recovery, nor that prices should not be expected to continue to rise, but we must on no account allow recovery to degenerate into boom,—the forerunner of depression. Individualistic economy will stand or fall, depending upon its ability to prevent depressions.

The outlook for Canadian business is more favourable than at any time in recent years. It would appear probable that the records of 1937 will surpass those of the year which has just been reviewed. Beyond all else, it is clear in the present trend of events that those who have had faith in the future of Canada have again had their faith fully justified.

GENERAL MANAGER'S ADDRESS

Mr. S. G. Dobson, general manager, referred to the financial statement as follows:

I have pleasure in presenting to you the Sixty-seventh Annual Report and Balance Sheet of the Bank. They reflect continued satisfactory development of the Bank's business. Total Assets have increased $54,668,757 during the year, and now aggregate $855,588,457. Quick Assets are $513,230,273, or 66% of Liabilities to the Public. Of this amount, Cash on Hand and Due by Banks totals $179,280,979, or 23% of such liabilities.

The noteworthy feature of the statement is the increase in deposits during the year of $56,579,909, notwithstanding substantially reduced balances in Dominion and Provincial Government accounts. The total is $735,465,103, an amount exceeded only once in the history of the Bank, namely in 1929. A pleasing feature is that, with the exception of a temporary foreign deposit of some $20,000,000, the growth has been well distributed throughout our branches.

As the result of a further decrease in gross revenue, mainly due to the low yield on Government securities, Canadian banks found it necessary during the year to discontinue interest on Current Account balances, and the rate on Savings Accounts was reduced from 2% to 1½%. For this reason, and also because of increased business activity, non-interest-bearing balances at the end of the year had grown to $310,384,198, largely exceeding any previous record. Conversely, interest-bearing deposits declined approximately $45,000,000, and now stand at $416,164,055.

CURRENT LOANS SITUATION

The demand for loans in Canada was again disappointing, though there have been indications during the last few months of increased requirements for business purposes. While advances under the heading of Current Loans in Canada decreased $41,251,783 during the year, this does not mean that the requirements of our ordinary borrowers were that much smaller. The reduction is fully accounted for by repayment of two special loans, namely about $33,000,000 due by the Wheat Board liquidated principally through the sale of surplus stocks of wheat held under Government control, and the repayment of approximately $10,000,000 due by the Canadian Pacific Railway, being our participation in the loan to that company made by the chartered banks of Canada under Dominion Government guarantee.

I give this information to correct an impression which casual consideration of this item in our Balance Sheet might create, that is, that business is still undergoing a process of liquidation.

In this connection it is interesting to note that total commercial loans in Canada of all banks are only 50.46% of the amount outstanding at the end of 1929.

Notes of the Bank in circulation decreased $3,000,000 to $29,524,612. As you may recall, the Bank Act provides for annual reductions in circulation until the amount is brought down to 25% of the Bank's capital. The first contraction of 5% became effective on January 1st, 1936, and a further reduction of a similar amount went into effect this month. As our authorized circulation is decreased, a corresponding reduction is made in the double liability attached to Bank shares.

One of the chief functions of a bank is to make loans to credit-worthy clients. This is also the most profitable portion of a bank's business; consequently it is but natural that banks, seeing their loans declining, will do what they can to change such a situation. However, they cannot force clients to borrow, therefore must wait until business activity reaches the point where the customers' cash capital becomes absorbed by expanding business and bank accommodation is required.

In the meantime, because of the increase in deposits, and repayment of the special loans referred to, we have had to turn to the investment markets for the employment of a larger portion of our funds than previously. The result is that our holdings of Dominion and Provincial bonds increased during the year $53,427,398 and now stand at $241,639,440. The great bulk of these bonds mature within the next few years.

CHANGES IN INVESTMENTS

The Government's cheap money policy has brought about a further reduction in the average yield on Government securities and has induced us to modify our investment policy to the extent that our holdings of "Other Bonds, Debentures, and Stocks" have been enlarged. The increase under this heading is represented by high-grade short-term corporation bonds. The yield on this class of security is substantially higher than on short-term Government bonds, without any material increase in risk.

Due to increased volume of business, I am pleased to report an improvement in Profits of $201,492. While not large, this is an encouraging trend. Our Profit and Loss Account this year is set up in a slightly different manner from previous years, in that Government Taxes have been deducted before showing the year's profits. A net profit of $3,504,242 is shown. To this has to be added $1,609,554 brought forward from the preceding year, making a total of $5,113,796 to be dealt with. Dividends paid amounted to $2,800,000. The usual contribution of $200,000 was made to Officers' Pension Fund Society, and $200,000 written off Bank Premises, leaving $1,913,796 to be carried forward to Profit and Loss Account.

You have been provided with statements of our controlled companies, Globe Realty Corporation, Limited, and the Canadian Realty Corporation, Limited. These companies, as you know, own certain properties leased to and occupied by the Bank. During the year the usual Sinking Fund appropriations of $500,000 have been made and the indebtedness of the companies reduced by a corresponding amount. This sum, added to the $200,000 reserved for Bank Premises Account, makes a total appropriation for the year against our Real Estate holdings of $700,000. No new properties were acquired and expenditures on buildings were of a minor nature only. During the year the outstanding bonds of the Canadian Realty Corporation were refunded at a low rate and the company's indebtedness to the Bank repaid. The shares of these two companies, owned entirely by the Bank, are carried on our books at $1 each.

IMPROVEMENT IN BUSINESS

Shareholders will receive through the mail with the report of the proceedings of this meeting, a review of conditions in Canada and other countries in which the bank has branches. I suggest that this review be carefully examined. It indicates a definite improvement in business in Canada and in practically all of the foreign countries where we are represented.

I should like here to record my appreciation of the fine spirit of loyalty and enthusiasm shown by the staff in all branches of the service. Through good times and difficult periods alike, their duties have always been faithfully performed, and the esprit de corps is of the highest.

We look back upon 1936 as a year of definite progress. Not only has this been amply recorded in the figures which I have reviewed, but the improvement in business generally has been such that many accounts in the bank which during recent years may have caused some anxiety have either been liquidated in full or have been placed on a fully secured basis. Business is undoubtedly on the upgrade, and I look forward to 1937 with a greater feeling of confidence than has been justified for some years.

What's What In Advertising

By TORY FLEMING

The Arthur S. Leitch Co., Toronto, has placed its advertising account with the Benison Company. Advertising will be expanded greatly this year, with trade papers acting as the spearhead of the campaign. Magazines and other media are being considered also. The firm manufactures air-conditioning equipment and a wide range of steam plant specialties.

• • •

Co-incident with the annual meeting of the Canadian Industrial Traffic League in Toronto Jan. 27 and 28, organized commercial motor haulers, through the Automotive Transport Association of Ontario, will direct a message to delegates through the medium of a full-page advertisement in a Toronto daily. Copy will stress the advantages of motor transport and the place of the truck in the country's economic scheme.

• • •

Young and Rubicam have been appointed to direct the advertising of the Wahl Co. Ltd., makers of Eversharp fountain pens and pencils.

• • •

Nox Laboratories have issued instructions in an extensive advertising campaign through the Benison Co. Copy will appear in 40 to 140-line space in dailies and weeklies across Canada and a 10-station radio chain is to be used. Distribution of the firm's products is not yet fully on a national scale and as soon as this has been achieved, magazines and other media will be considered.

• • •

The 1937 Canadian Cellucotton Products campaign featuring Kleenex is scheduled for magazines, streetcar cards, newspaper and rotogravure sections. It is expected that expenditures on advertising will be greater this year than last. Lord and Thomas of Canada directs the account.

• • •

The Boiler Inspection and Insurance Co. of Canada has released a campaign to representative financial and insurance publications. The advertising is directed by A. McKim Ltd.

Insurance Reports

North American

A gain of $500,000 in new business issued and an increase of 5½% in insurance in force during 1936 was shown in the 56th annual report of North American Life this week. The total of new business issued was close to $35.2 millions, it being explained by D. E. Kilgour in his remarks to the annual meeting that this figure was after allowance for change in the definition of new business by the Federal Insurance Department whereby new policies are no longer included in the total unless the company has received settlement and assumed its contractual risk. This change was made by the company as at Sept. 1. Total business in force at the end of the year was $211.2 millions.

Total Income Up 8%

Total income rose by 8% largely due to an increase of almost 17% in premium income. Investment income was slightly lower due to a change in method of collecting interest on policy loans. Under the new regulations applying to all companies, interest is collected at the end of the premium period rather than in advance as formerly. This change is also reflected in the balance sheet through a lower amount of interest paid in advance and an increase in accrued interest.

Analysis of assets shows a substantial increase in holdings of Government, municipal and corporation bonds which now amount to 54.6% of total investments. Of this total about half are Government and Government guaranteed bonds; three-tenths are municipal bonds and the remainder corporation issues. Urban mortgages represent 16.5% of total assets; farm mortgages 2.5%; stocks (preferred, institutional and other) are 6%. One important change has been the steady reduction in policy loans which now represent 14.9% of invested assets compared with 16.6% in 1935 and 19.2% in 1933.

Higher Mortality Expenses

Earned surplus of the company was lower than last year due largely to higher mortality expenses. This figure ($1.3 million) is before any credit for profit from sale of securities which reached a considerable figure. The net result was a considerable increase in free surplus and an addition of $600,000 to investment reserves which now stand at $1.1 million. The company also reports that its investments show a market value of $2.6 millions in excess of book values which has not been taken into the company's accounts. The excess over book value on the basis of "authorized" values is $2.3 millions.

Comparative figures in summary form follow:

North American Life

	1936 $	1935 $
New ins. issued*	35,169,802	34,662,533
Business in force	221,194,004	202,539,161
Income and Disbursement		
Net prem. income	7,978,205	6,840,874
Int., rents, etc.	2,298,984	2,504,125
Total receipts	11,210,772	10,361,150
Policy payments:		
Death claims	1,302,408	1,118,857
Dividends	1,140,385	1,282,954
Policyholders	2,524,384	2,785,060
Surplus earnings	1,322,772	1,452,780
Assets and Liabilities		
Bonds	29,178,323	24,717,388
Mortgages	10,167,698	10,260,316
Policy loans	7,946,921	8,184,731
Stocks	3,238,092	3,109,566
Total assets	54,845,907	50,856,223
Policy reserves	44,949,045	42,182,995
Surplus funds:		
Allotted for divds.	2,933,586	3,071,135
Free surplus	1,790,830	1,570,413
Investment res.	1,100,000	500,000

*Policies issued, revived and increased; exclusive of immediate annuities.

Confederation

A substantial gain in earned surplus, in total assets and in business in force is reported by Confederation Life in preliminary figures issued this week. As reported in a recent issue of The Financial Post, new business was slightly lower than in 1935.

Summary figures released prior to the company's annual meeting which is to be held on Jan. 26, are as follows:

Confederation Life

	1936 $	1935 $
New ins. paid & revived	47,506,513	47,730,122
Bus. in force	398,499,573	387,064,752
Total income	23,038,254	21,701,689
Death claims	2,966,085	2,687,454
Earned surplus	3,180,646	2,827,840
Total assets	112,945,505	106,377,995
Free surplus	4,059,664	3,398,440

Imperial Life

An increase of $2.2 millions in business in force was reported in the annual statement of Imperial Life this week. Business in force now stands at $281.6 millions. New insurance sold, on a paid-for basis (exclusive of revivals) was $20.8 millions. This total is computed on the new basis required by the federal insurance department, and in the case of Imperial Life "deletes from the 1936 figures a substantial volume of business issued in 1936 but not settled for until the end of the year." The total volume of issued business placed by the company last year was $24 millions but paid-for business on the old government basis was $21.8 millions.

The company also reports 62 annuity contracts issued during the year for a consideration of $516,626 to provide annual payments of $37,609. Number of contracts so placed in 1935 was 58 for a total consideration of $365,857.

Lapse rate was one of the lowest in the companys' history, according to general manager G. C. Moore. "Insurances surrendered were $2.5 millions less than in 1935." Another important trend noted by Mr. Moore was the proportion of fully participating business written during the year. This rose to 72% of total business in 1936 compared with 69% in 1935 and 58% in 1934.

Assets of the company are higher by $3.9 millions to $79.1 millions. The increase is due to a substantial appreciation in value of bond, debenture and stock holdings which are shown in the balance sheet at nearly $6 millions more than the corresponding figure in 1935. The company reports that these are carried at substantially less than their market value. Distribution of assets at the end of the year is as follows: Bonds and debentures, 55.4%; policy loans, 16.6%; first mortgages, 16.1%; stocks, 5%; real estate owned (exclusive of head office) 2.9%; cash in bank, 2.7%.

The company reports average interest earnings for the year of 4.72% compared with 4.86% in 1935.

In addressing the annual meeting in Toronto this week, J. F. Weston, president, expressed the view that "a gradual reduction for some years to come in the average rate of interest earned over the total investments of investing institutions, can be anticipated."

Surplus earnings of the company were $2.2 millions compared with $2.5 millions in 1935. The 1936 earnings were affected by less favorable mortality and lower excess interest earnings. The company has appropriated $369,000 for revaluation of assets and increased free surplus by $712,000 to $4.8 millions. In addition it maintains contingency reserve at $1 million and retains an actuarial "cushion" by reason of computing its policy liabilities on a basis $800,000 greater than necessary to meet Government requirements.

Comparative figures in summary form follow:

	1936 $	1935 $
New Business, Etc.		
New ins. paid for	20,811,381	21,885,719
Ins. revived	1,241,459	1,434,428
Bus. in force	281,579,244	279,338,894
Income & Disbursements		
Prem. income	9,660,983	9,841,805
Int. rents, etc.	3,494,633	3,440,978
Policy payments	6,939,438	7,147,331
Asset revaluation approp.	369,368	492,932
Assets, Reserves, Etc.		
Mortgages	12,279,511	13,146,580
Bonds & debs.	42170,239	37,654,278
Policy loans	12,606,708	13,356,382
Total assets	79,100,808	75,163,593
Policy reserves	64,102,244	61,675,784
Conting. reserve	1,000,000	1,000,000
Surplus	4,871,498	4,159,152
Int. earned	4.72%	4.86%
Net surp. earnings	2,251,944	2,553,434

Mutual of Canada

A gain of $10.5 millions in business in force is reported by Mutual Life of Canada in preliminary figures covering the company's 67th annual statement. The company's annual meeting will be held at Waterloo, Feb. 4. Total business in force is now at a new high point of $537.9 millions. Sales of new insurance on a paid-for basis was higher by $700,000 at $44.5 millions.

Income from premiums and investments was higher than in 1935 the gain being offset by increased payments to policyholders and a higher charge against actuarial and policy reserves. A decrease in earned surplus was accounted for by the fact that only $49,000 was credited as profit and appreciation on ledger assets compared with $139,000 last year and that the debit for loss and depreciation on ledger assets was $359,000 for 1936 compared with $237,000 in 1935.

An important change in distribution of surplus earnings was the carrying forward of $800,000 of undistributed profits into general investment reserve, bringing that account to $2 millions. Last year the sum of $645,000 was shown as a special charge against surplus earnings and used to write down the book value of the company's bonds. The only special charge in 1936 (apart from staff pension funds) was an item of $92,000 against loss on mortgages and agreements of sale. The corresponding write-off last year was $237,000.

In addition to the amount added to general investment reserve, the company increased free surplus by $120,000 and added $300,000 to policy reserve adjustment fund. Total assets increased almost $8.5 millions to $161 millions. Special reserves and surplus funds now stand at $13.7 millions, an increase of $1.2 million.

Comparative figures in summary form follow:

MUTUAL LIFE OF CANADA

	1936 $	1935 $
New ins. paid for†	44,472,470	43,760,000
Bus. in force†	537,895,287	527,372,000
Net prem. inc.	17,950,183	17,713,255
Int., rents (net)	7,116,870	6,932,551
Total income	28,110,,594	27,469,834
Policy payments, death claims, etc.	12,646,133	12,491,234
Surplus earnings	4,701,711	4,988,498
Assets, Liability Items		
Total assets	161,106,207	152,630,000
Invest. reserve	2,000,000	1,200,000
Free surplus	4,834,822	4,714,916
Policy res. adj. fund	900,000	600,000

†Excluding annuities.

AGENCY SUPT.

K. G. McNab has been appointed agency superintendent of Manufacturers Life to succeed L. A. Spalding, who retires after service extending back to 1901. Mr. McNab has had wide experience since joining the company in 1927 and he was appointed manager of the Medical Department in Jan., 1930. In September he was sent to Japan to undertake special work of medical and actuarial nature. In 1933 he left Japan and visited branches in other parts of the world, remaining in South Africa for some months as acting manager. He was appointed assistant to the agency superintendent shortly afterward.

Mr. Spalding was appointed agency superintendent in 1918 with "special supervision of the eastern foreign field and South Africa." His life insurance connection dates back to 1890 when he entered the employ of the Temperance and General Life as an office boy. When this company amalagamated with the Manufacturers in 1901 he was appointed agency accountant.

Maritime Rayon Pulp Being Sent to Japan

From Our Own Correspondent

SAINT JOHN, N.B.—Port Royal Pulp & Paper Co., Ltd., has now commenced production of rayon pulp for the Japanese market, and the first shipment will leave Saint John in February on the 1,000-ton Kano Maru of the Ko Kusai Steamship Line.

From the time it started operations here in 1932 the Port Royal Pulp and Paper Co. had been producing high-grade sulphite pulp which was marketed mainly in the United States, at Kalamazoo and other centres.

Extensive plant alterations were made by the company before it launched rayon production.

Ontario Paper Obtains Big Wood-cutting Rights

Ontario Paper Co. has arranged with the Ontario Government to cut 40,000 cords of pulpwood annually off northern Ontario timber limits to supply its mill at Thorold, Ont. The agreement runs for 21 years.

In its general reallocation of timber limits, the Government has allotted timber areas formerly held by Great Lakes Paper Co. and Abitibi Power & Paper Co. to the Ontario Paper Co. The limits, about 150 miles east of Port Arthur, were recently returned to the Crown under legislation passed early in 1936. In turn, Great Lakes and Abitibi are receiving new timber limit allotments from the Government.

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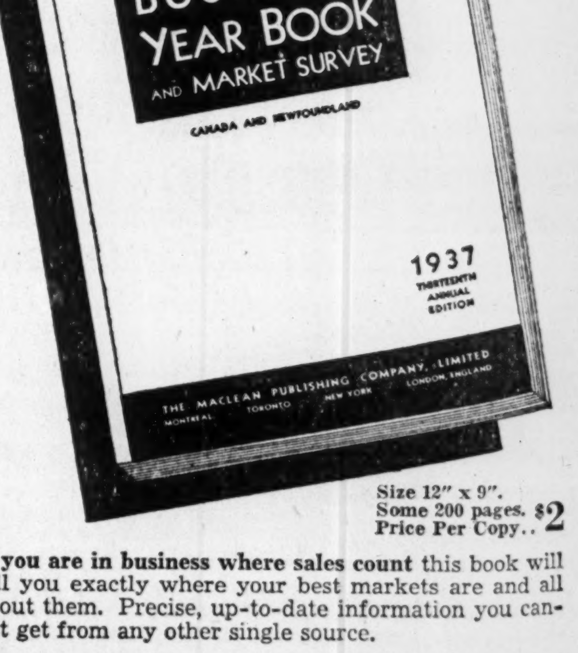

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"LET 1937 BE CLEAN-UP YEAR"

Mr. Thomas Bradshaw, President of North American Life Assurance Company, Surveys Canada's "Structural Weaknesses" and Urges "Modernization" Programme for Nation.

Satisfying as is the improvement in Canadian affairs there are certain problems which must be solved immediately if we desire to consolidate business gains and lay a sound base for future expansion, declared Thomas Bradshaw, president of the North American Life Assurance Company, addressing his company's annual meeting this week.

Mr. Bradshaw said:

"The wear and tear occasioned by the stress and strain of five years of depression have left our house in bad state of repair. A new coat of paint is not enough. It is essential that it should be cleaned and renovated, remodelled and modernized. *So let us make 1937 a clean-up year.* Let us get rid of some of the debris which has accumulated, renew the foundations and walls, so that by the end of 1937 we may have a structurally sound edifice for our architects to remodel and modernize."

The president listed five "structural weaknesses" calling for attention. In part, his comments on these were as follows:

1st—Municipal Defaults

"The close of 1936 finds about 11% (140 millions) of our total Canadian municipal debt still in default—a figure which has remained relatively constant for the last two years. In addition, there are certain municipalities which so far have been able to avoid default, but where the margin of safety has practically disappeared, and additional defaults may occur unless debtor and creditor exercise wisdom, tolerance and common honesty, and adjust their respective circumstances.

"Municipalities in default and under government supervision have not been able to function normally. Residents, as well as property values, have suffered severely. The credit position of such municipalities has steadily deteriorated. Practically no new building has been carried on. Neither has there been any flow of capital to them. Those who had loaned monies for public services—schools, parks, etc.—have felt that they have not been fairly treated.

"Councils, bondholders' protective committees, governmental municipal departments, should bend every effort in 1937 to cure as many existing defaults as possible, and avoid the odium and the great loss to community and citizens which inevitably follow when a municipality continues to acknowledge that it is incapable of managing its own affairs, and that it must still continue to be supervised or administered by a senior government.

2nd—Unemployment

"Although the business index in Canada has shown a betterment of over 50% since 1933, and although employment has increased over 30%, the unemployment relief totals at the end of 1936 showed an increase of 6 to 8% over 1935, according to a report of the Canadian Welfare Council. This is due to the unbalanced relationship which exists between the number of aged workers who would be retiring under normal conditions, and the new workers coming into the employable field from schools and colleges. It is attributed also to the fact that many unskilled and semi-skilled workers are hesitant to take jobs where the wages paid are below the normal subsistence levels provided by relief agencies.

"All-round business betterment should assist in making inroads into the unemployed during the coming year. Already in some quarters fear is expressed that there will be a shortage of skilled labour. The National Employment Commission is laying plans for the effective cooperation between government and private enterprise to this end.

"The completion of this second repair—the absorbing in 1937 of a substantial body of those still on relief—is a task toward which we should all contribute our best interest and support.

3rd—National Railway Deficit

"The annual deficit of our government-owned railway is another structural weakness. The cost to the taxpayer is about one million dollars a week. In the last four years this deficit aggregated about $220 million, and increased our debt burden by that amount. Gross revenues of our railways have increased about 7% over 1935, but there has been only a negligible increase in net revenues. Lessened interest charges, expanding trade and industry, and a more prosperous agriculture, forecast improvement, but these cannot be relied on to relieve us automatically of this problem. It is not beyond belief that our two great railways may, with rising prosperity in all activities, again be on a satisfactory operating basis, but this is not sufficient. The problem must be solved in such a way that the railways will be able to weather future depressions. If this is not accomplished conditions will ultimately grow much worse.

"Economies and cooperation have resulted in some reductions in operating expenses, but not sufficient to be appreciable. It is believed that as yet our railways have only made a gesture toward cooperative savings.

"We can never regain our full prosperity unless the greatest economic efficiency prevails in this service.

"Our third repair job therefore is the elimination of annual deficits on our nationally owned railway, and the establishment of both systems on a profitable operating basis.

4th—Unbalanced Governmental Budgets

"The need for balanced governmental budgets is vital. There were in some instances good reasons why difficulty was found in balancing budgets during the severest part of the depression, but the time has practically arrived when an unbalanced budget should be the exception. All Canadian public bodies must recognize that they must pay their own way and live within their income. The funding of deficits is the surest possible way to bankruptcy.

"We must plan, both by declaration and performance, to completely re-establish our credit at home and abroad. The Dominion credit cannot be maintained if the Provinces are shaky. Neither Dominion nor Provincial credit will command a high price if our municipal credit decays. We are all in the same boat, and if someone rocks it too hard all are bound to go down, and the sooner this is realized by all Canadian elected bodies the sooner will our credit be repaired.

"Balanced budgets and the abolition of funding deficits will result in the repair of shattered credit and a sounder structure throughout.

5th—Western Provincial Debts

"Probably the most acute situation in Canada is in connection with our three Prairie Provinces. There appears to be indication that the debts owing by them have become too great a burden for their people to meet. Individual and consequently government revenues are mainly dependent on agricultural prosperity. The West has had to cope with an unexampled succession of drought conditions and crop failures. Reserves which had been accumulated by individuals have long since gone. Huge governmental grants for relief in order to maintain a subsistence level for numbers of the people have had to be made.

"Until this situation is righted and the farmers in those areas again placed on a sound self-supporting basis; until relief disbursements are no longer necessary; and until one or two good crops are harvested, there is little possibility of balanced provincial budgets. Have we not already delayed over-long in giving consideration to this situation?

"If, as has been urged in several quarters, it is necessary for a commission to be appointed to obtain the facts and make recommendations, let this be done forthwith. The necessary evidence is readily available, and the work of such a commission could be proceeded with rapidly and at the same time thoroughly. Other courses may be open to treat with the situation, but it does appear that the time has arrived for action.

"The three Prairie Provinces, in years gone by, have enjoyed as fine a reputation and as high a credit as any other section of Canada. It is therefore essential, whatever plan be adopted, that it carry good faith and conviction of justice and fairness, and especially that it preserve the good names and credit of the respective Provinces. We must all endeavour to prevent the situation now existing in one of those Western Provinces from spreading. The ill-effect of the experiment carried on there, which has caused such grave concern to all Canadians, is likely to remain for many years to come.

6th—Debtor-Creditor Relationships

"There has been written into our statutes in recent years much legislation of a confiscatory nature. Although perhaps reaping some advantage, such legislation more often than not proves a boomerang in the long run, and leaves as well an indelible smirch on the honour and reputation of government and people.

"Governments should be an example in honourable dealing, the results of which would soon permeate the entire business relationships of the lesser governments and individuals. Modern business and living still demand that man honour his contract. If we lightly regard our word or bond, we have lawlessness, distrust, stagnation and chaos.

"By this I do not mean to imply that compromise is not necessary. In some cases contracts entered into in previous years have become impossible and unbearable. The facts should be determined, fairly presented and then squarely faced. Compromise should first be exhausted, and strong action taken only when there is unreasonable stubbornness or when backed by sound public opinion.

"In some cases under boards and commissions possessed of very wide powers of debt settlement, creditors have been treated unfairly. There is a great danger that all the safeguards which have been set up for the sole purpose of alleviating the situation of the debtor, may create a situation in which even greater hardships may be forced on the creditor.

7th—Mortgage Moratoria

"Moratoria on mortgage principal repayments have been helpful, but with returning improvement the time is surely approaching when this emergency legislation should disappear. When such enactments were made they were designed to forestall hasty foreclosure action on the part of creditors, at a time of distress, and to preserve the owner's equity in his property. As a result, many mortgagors have been carried through the depression years to complete control of the equity ownership of their properties, although actually in default on their contract. There is, however, danger now that these moratoria may lead to substantial losses to the creditor without any corresponding advantage to the debtor.

"It is suggested, in the interest of debtor as well as creditor, that an early start be made toward the gradual removing of restrictive debt legislation, say over a period of three years.

"The type of moratorium legislation in effect in some sections is undoubtedly working against the free loaning of capital to would-be legitimate borrowers, and retarding badly needed construction and employment.

8th—Corporate Receivership

"Depressed conditions in business and industry brought about the inevitable bankruptcy of a large number of corporations, particularly those financed on the basis of pre-depression earnings. Canadian corporation bond defaults during the last six years, totalling over $600 million, reflect the severity of the depression.

"Of this amount it is estimated that about $400 million has been adjusted more or less to the satisfaction of security holders, and the corporations' affairs removed from receivership or bankruptcy proceedings.

"Let us make an effort in 1937 to clean up those still in default, and thus place them once more on their own feet and under their own management.

"May I suggest that if earnings justify, it is advisable to reorganize these companies immediately. This will dispense with the costs of receivership, place them under their own active and responsible management, retain as much of their credit rating as possible, do away with uncertainty."

Things That Must Be Done

Mr. Bradshaw then proceeded to set down some of the essential steps in Canada's modernization programme, designed to correct the structural weaknesses referred to. These too are briefed from Mr. Bradshaw's remarks:

1st—Orderly Liquidation of Debt

"Fighting the depression has proved almost as costly as fighting the Great War. The increase in our federal, provincial and municipal debt since 1929 approximates $1,800 millions.

"No one will quarrel with government in its resolve to feed, clothe and shelter our fellow citizens whose earning power was cut short by the depression. There may be some differences of opinion as to the source of these funds; that is, whether more should have been met from current revenue and less from capital borrowings. But what has been done, is done. We must now face the facts.

"We have obligated ourselves to pay large additional amounts of interest and principal for these capital debts created for current purposes. The cost of the depression will not be over until:

"(a) All relief payments for those unemployed and those unemployable, budgetary and other deficits, are being met out of current revenue.

"(b) All debt heretofore created for unemployment relief, as well as for budgetary and other deficits, by federal, provincial or municipal governments has been repaid.

"Business recovery has meant, and will mean, increasing employment, increasing pay rolls, increasing governmental revenues, balanced budgets, liquidation of frozen assets, etc. These conditions should be utilized for the orderly liquidation of debts created for the aforementioned current purposes. Then consideration should be given to a systematic scheme for at least partial liquidation of the balance of funded debt.

2nd—Controlled Immigration

"Canada has a density of population of less than three persons per square mile. Judged by any standard, Canada is still vastly under-populated when comparison is made with the 468 persons per square mile in Great Britain, 365 in Germany and 358 in Italy. There is a growing feeling that the saturation point has been reached in many European countries, and that economic necessity will cause an emigration movement of considerable proportions, if not a conflict for territorial control.

"Internally we in Canada have already a plant and equipment capable of supporting a vastly increased population. Additional population would enable us to make more economic use of our resources and our existing facilities, lower our per capita overhead expenses and create a larger internal consumers' market.

"A move in this direction seems not only desirable but inevitable. Should we not anticipate it by determining now by a national survey the types of immigrant most compatible with our present population, with natural or educational skill that will assure a definite contribution to our economic progress? To be selective, we must make our own situation one that is attractive.

3rd—Unified and Studied Social Legislation

"Many diverse statutes relating to social betterment are presently on the books of our several legislatures. Increasing weight is being placed on the introduction of additional measures relating to unemployment insurance, old age pensions, sickness insurance, etc.

"The institution of such schemes cannot be undertaken lightly. They must only be instituted after thorough investigation and analysis by the best brains in the country. One false step at the outset might jeopardize the whole programme.

"The appointment of a competent commission would seem advisable, whose duty would be:

"(a) To review all existing social legislation now in force among our various legislatures.

"(b) To draft a comprehensive scheme of old age pensions, unemployment insurance, etc., and after exhaustive analysis of the risks involved to determine who should be the contributors, the basis of contributions, and the benefits to be allowed.

"(c) To consider the problems of administration, collections, disbursements, registration and legislative control.

"(d) To recommend an adequate plan of social legislation commensurate with our ability to pay, and to indicate the steps necessary to implement the proposed plan.

4th—Survey of Taxes and Expenditures

"When we see the attempts being made by all governments to evolve new and additional methods of taxation to bolster their revenue account, and the scramble going on between our three classes of government — federal, provincial and municipal—either to participate in the revenues of another or to get out from under certain expenditures at the expense of another, one fact stands out clearly; that is, that the revenue from our present scale of taxation is insufficient to satisfy all the expenditures of our governing bodies, and that either expenditures must come down or we must be prepared to bear heavier taxation.

"Our system of taxation—the result of haphazard growth since the basis was laid at confederation—has become antiquated and unsuited to the needs of our complex society. The present allocation of financial responsibilities and social obligations among our governments bears little relationship to taxing authority or source of revenue.

"What is needed is a complete survey by a competent commission or other body, of the allocation of taxation powers and social and financial responsibilities under the B.N.A. Act, and the drafting of a series of recommendations designed to eliminate the present over-lapping of both taxation and expenditure, to relate, as much as possible, source of revenue with channel of expenditure, to suggest constitutional amendments necessary to clarify the existing intolerable situation."

Dividends Declared

	This payment	Date payable	Date of record
Anglo Can. Tel., pf.	87½c	Feb. 1	Jan. 15
Agnew-Surpass ..	20c	Mar. 1	Feb. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Assoc. Tel., 1st pf...	42c	Feb. 15	Jan. 25
Beatty Bros., 1st p.	$1.50	Feb. 1	Jan. 15
Brewers & Distillers	•$1	Feb. 1	Dec. 29
Brazilian Tr., ord...	40c	Jan. 30	Dec. 26
Bank of Toronto ..	$2.50	Mar. 1	Feb. 15
Buffalo Ankerite ..	12½c	Feb. 15	Feb. 1
Can. Inv. Fd. sp. & ord.	3½c	Feb. 1	Jan. 15
Do., extra	2½c	Feb. 1	Jan. 15
Can. Investors	10c	Feb. 1	Jan. 18
Do., bonus	5c	Feb. 1	Jan. 18
Calgary Power, pf. .	$1.50	Feb. 1	Jan. 15
Can. South. Rly. ..	$1.50	Feb. 1	Dec. 28
Can. Bronze	25c	Feb. 1	Jan. 20
Do., bonus	75c	Feb. 1	Jan. 20
Do., pref.	$1.23	Feb. 1	Jan. 20
Can. Cement, pf. ..	*$1	Mar. 20	Feb. 28
Can. Industries, A & B	$2	Jan. 30	Dec. 31
Canada Nor. Pr. ..	30c	Jan. 25	Dec. 31
Crown Cork	20c	Feb. 15	Jan. 30
Can. & For. Sec., c.	†6c	Feb. 1	Jan. 15
Community Trusts.	62½c	Jan. 15	Dec. 31
Distillers-Seag., pf..	$1.25	Feb. 1	Jan. 22
Dome Mines	50c	Apr. 20	Mar. 31
Dom. Bridge	30c	Feb. 15	Jan. 30
East. Trust	$2	Jan 2	Dec. 20
East. Theatres, pfd.	$3.50	Jan. 30	Jan. 15
Frost Steel, 1st pf.	*$1.75	Feb. 2	Jan. 16
Farmers' Tele., c. ..	62½c	Jan. 31	Dec. 31
Guar. of N. Amer...	$1.50	Jan. 15	Dec. 31
Do., extra	$2.50	Jan. 15	Dec. 31
Howey Gold	2c	Feb. 1	Dec. 31
Hollinger Cons.	5c	Jan. 28	Jan. 14
Humberstone Shoe	50c	Feb. 1	Jan. 15
Imperial Bank	$2.50	Feb. 1	Dec. 31
Inter. Nickel, pf. ..	$1.75	Feb. 1	Jan. 2
Inter. Utilities, pf...	$1.75	Feb. 1	Jan. 21
Do., $3.50 pfd. ...	87½c	Feb. 1	Jan. 21
Kelvinator, pfd.	$1.75	Feb. 15	Feb. 5
Loblaw Groc., A, B	25c	Mar. 1	Feb. 12
Mtl. L. H. & Power	33c	Jan. 30	Dec. 31
McIntyre Porc.	50c	Mar. 1	Feb. 1
N. B. Telephone ..	12½c	Jan. 15	Dec. 30
North. Ont. Pr., pf.	$1.50	Jan. 25	Dec. 31
Do., com.	75c	Jan. 25	Dec. 31
Ont. Steel, pref. ...	$1.75	Feb. 15	Jan. 30
Do., extra	$2	Feb. 15	Jan. 30
Penman s	75c	Feb. 15	Feb. 5
Do., pref.	$1.50	Feb. 1	Jan. 21
Quebec Power	25c	Feb. 15	Jan. 27
Root Pete., c.	25c	Feb. 1	Jan. 18
Royal Bank	$2	Mar. 1	Jan. 30
Royal Trust	80c	Jan. 30	Jan. 30
Do., bonus	40c	Jan. 30	Jan. 30
Simpsons, pfd.	$1	Feb. 1	Jan. 25
Saguenay Pr., pf...	$1.37½	Feb. 1	Jan. 15
Shawinigan W.	20c	Feb. 15	Jan. 20
Steel of Can.	43¾c	Feb. 1	Jan. 7
Do., extra	$2	Feb. 1	Jan. 7
Do., pref.	43¾c	Feb. 1	Jan. 7
South. Can. Pr., c.	20c	Feb. 15	Jan. 30
St. Law. Flour	75c	Feb. 1	Jan. 20
Do., pref.	$1.75	Feb. 1	Jan. 20
Toburn Gold	2c	Feb. 23	Jan. 22
United Corp., A ..	*75c	Feb. 15	Jan. 20
United Bond & Sh.	20c	Jan. 15	Dec. 31
Willson Stairs., pf..	$1.25	Jan. 15	Dec. 31
Wr.-Hargreaves	‡10c	Feb. 1	Jan. 6
Weston, Geo., pf. ..	$1.25	Feb. 1	Jan. 20

†Initial. *On arrears. ‡Interim.
•Capital distribution.

U. S. Advertising Helps Newsprint

From Our Own Correspondent

MONTREAL. — December newsprint advertising in 52 American cities totalled 130.7 million lines, an increase of 10.2% over 1935, according to figures compiled by Media Records Inc. and published by Editor and Publisher.

Returns for the full year show 1,380 million lines, as compared with 1,247 millions in 1935, a gain of 10.7%.

Analysis of the returns shows that display advertising gained 9.5% during the past year, while classified advertising advanced 15.9%.

Montreal Debenture Corp. Capital Plan Approved

MONTREAL.—Holders of the 6% general mortgage income bonds of Montreal Debenture Corp. have approved a plan of recapitalization.

The proposal provides for replacement of the present bonds by an issue of preferred stock with rights similar to those attaching to the bonds. An amendment to the original plan was made by inserting the stipulation that no securities senior to the new preferred shares would be issued without approval of the shareholders.

ELECTED PRESIDENT

C. C. Bonter, passenger traffic manager of Canada Steamship Lines, who has been elected president of the Montreal Tourist and Convention Bureau.

Security Offerings

Maritime Electric

From Our Own Correspondent

MONTREAL. — Royal Securities Corp. has sold $400,000 of Maritime Electric Co. general mortgage sinking fund bonds, 5½% series, due 1956, at par and accrued interest.

The general mortgage bonds and the first mortgage bonds of Maritime Electric Co. were sold and issued to Royal Securities Corp. in consideration of the surrender by them and cancellation of notes of the company for various maturities aggregating over $1.7 millions.

Particulars of the issue follow:

$400,000
MARITIME ELECTRIC CO.
General Mortgage S. F. Bonds
5½% Series

Dated: Oct. 1, 1936. Due: Oct 1, 1956

Principal and interest payable only in Canadian funds. Redeemable at the option of the company in whole or in part, at any time prior to maturity, on 30 days notice at varying premiums.

Company—Owns and operates electric lighting and power services in Charlottetown, Montagu and 12 other communities in Prince Edward Island; and in the cities of Fredericton, St. Stephen, Milltown, St. Andrews, Devon and six other communities in New Brunswick.

Property—Comprises a steam generating plant having an installed capacity of 3,000 kw.; a steam generating plant, not now in use, constructed at Fredericton; two small water powers, one of which is not now in use; substations and transmission and distribution lines.

Security—These bonds are secured by a mortgage and charge upon all freehold and leasehold lands, franchises, power plants, and other property and a floating charge upon all other assets of the company, subject to the prior mortgage and floating charge securing the first mortgage bonds.

Sinking Fund — Commencing April 1, 1938, the company will institute a sinking fund of 1% of the principal amount of all general mortgage bonds outstanding, together with an amount equal to annual interest on bonds previously redeemed through sinking fund.

Earnings—Average annual earnings for the past three calendar years available for interest on the general mortgage bonds amount to $97,500, against requirements of $22,000.

Offered—By Royal Securities Corp. at 100 and accrued interest.

Woods Manufacturing Co.

From Our Own Correspondent

MONTREAL. — Hanson Bros. announces the sale of $700,000 of first mortgage bonds, series A, of Woods Manufacturing Co. With the proceeds the company intends to redeem the outstanding 6% first mortgage bonds, reduce the bank loan by approximately $115,000 and apply the balance to working capital.

Current financing is divided into serial and 15-year bonds. Of the total issue $440,000 carries a coupon of 3%, 3½% and 4%, maturing in blocks of $40,000, $45,000 and $50,000 a year from 1938 to 1947. The balance of the issue, carrying a 4½% coupon, matures in 1952.

Particulars of the issue follow:

$700,000
Woods Manufacturing Co.
First Mortgage Bonds, Series "A" $440,000, Serial 3%, 3½%, and 4%; $260,000 15-yr. s.f. 4½%

Dated January 2, 1937. Maturing 1938-1947 and 1952. Principal and interest payable only in Canadian funds. Redeemable on 30 days' notice.

Sinking Fund: Commencing Jan. 1, 1948, annual cumulative sinking fund to retire the entire issue of 15-year bonds at par by maturity.

Company: Operates six factories comprising 3 bag mills, cotton mill and 2 factories for the manufacture of lumbermen's and contractors' supplies.

Security: Secured by a first mortgage upon all properties and by a floating charge on all other assets present or future of the company.

At the end of last November the net value of fixed assets amounted to $1.5 million. Net current assets, after deducting current liabilities, were $1.1 million.

Earnings: Average annual net profits for the 4 years ending Dec. 31, 1935, before bond interest and depreciation or income taxes, amounted to $146,300. Profits on the same basis for the 11 months ended Nov. 30, 1936, amounted to $162,206.

Dividend Restrictions: The company cannot pay dividends which will have the effect of reducing net working capital below the amount of series "A" bonds outstanding.

Purpose of Issue: To retire outstanding funded debt, reduce bank loans and add to working capital.

Offered by Hanson Bros., at par and accrued interest.

Two Properties Owned By Commandor Mines

Commandor Mines whose stock is currently being offered to the public, was incorporated with an Ontario charter and an authorized capitalization of three million shares $1 par value of which 1.2 million were issued for properties.

The company owns a copper-gold property of 1,400 acres in Duvernay Township, Quebec, eight miles from Landrienne on the C.N.R. In addition to this property the prospectus shows the company owning an additional 800 acres in the northern part of the same townships approximately four miles from Grenadier Gold Mines.

With their initial offering, the company proposes to offer stock bonus of vendors escrowed stock. The Financial Post is informed. This offering is on the basis of one share of escrowed stock for every two treasury shares purchased.

Guy M. Suckling, Director Of Wright, Henderson Co.

Guy M. Suckling has been appointed a director of Wright, Henderson & Co., Montreal investment dealers. He will be in charge of sales.

Mr. Suckling is a son of the late H. E. Suckling, former treasurer of the Canadian Pacific Railway Co. and has been identified with financial affairs for nearly 20 years.

Ft. McMurray Oil Interests Raise Funds

Plan Active Programme When Spring Season Opens

With the spring, The Financial Post is informed, active work will start on developing the Oil Sands of the McMurray district, northern Alberta. Back of the renewed development will be important financial interests of Montreal and Toronto.

Last September Abasand Oils, pioneer company in the field, completed erection of a 250-ton daily production unit. For seasonal reasons work has been suspended during the winter, but financial arrangements have been negotiated and are now nearing completion. As a result of these arrangements, it is expected that work will start on installing other field production units, with an ultimate objective of bringing the company's production capacity to 3,000 tons, or 2,100 barrels.

According to official information, the present process under which Abasand plans to operate, is the result of six years' research.

Oil sands of the McMurray district are reported to contain the largest deposit of oil known in the world. Government authorities have placed the total quantity at from 100 to 250 billion barrels.

In a prospectus filed with the Securities Exchange Commission at Washington, the company states that estimated cost per barrel of crude at Abasand refinery is 35 cents.

The company has both participating preferred and common stock issued. Of an authorized capitalization of two million preferred shares, par value $1, 105,134 were outstanding at the date of the last financial statement, (March 31, 1936). Of the common, no par stock, authorized 2,500,250 some 1,508,735 were outstanding.

More Staking At Rowan Lake

Coniagas Starts To Drill Nickel Property in Kenora

From Our Own Correspondent

KENORA, Ont. — Although the staking rush to Rowan Lake, southeast of here, has passed its peak, recording still continues. More than 400 claims have now been staked, 336 of which are registered.

Those recorded make up 31 groups owned by 19 different individuals, syndicates and companies. The staking has spread over a territory seven miles north and south and nine and a half miles east and west, covering a total of about 25 square miles.

Largest of the groups staked is that of the Erringtons who have 48 in one property and another nine claims 2 and a half miles west of the original staking. Oliver Severn Gold Mines, Toronto, has one group of 18 claims adjoining Errington on the south and west.

Charles Young and H. W. Waters of Kenecho Gold Mines have 22 claims three quarters of a mile southeast of Errington. Charles Taylor of Oliver Severn has two groups, eight adjoining Errington east and two adjoining Oliver Severn south. George Papineau, of Hutchison Lake and Hutchineau Gold Mines has secured 14 claims adjoining Oliver Severn south. Hilding Johnson and G. W. Bowcock, of Kenland Gold Mines, have 26 claims east of Errington in two groups. J. A. McArthur, of Cohen-McArthur, Pickle Lake, has 18 claims adjoining Errington east. Ed Dwyer, of the Black mine, Schreiber, has six claims north of Errington.

Two and a half miles immediately west of Errington are the old Monte Cristo and Victor Mines, which were acquired by Lake Port Mines of Port Arthur before the rush started. This property consists of 11 claims while, since the New Year, three new groups have been staked adjacently. Diamond drilling is to get under way immediately.

Investing for Profit

This circular states certain necessary fundamentals to be used in making profitable investments. By following these principles you will eliminate most of your losses and make larger profits.

HALLIWELL GOLD

This gold-copper property 8 miles west of Noranda has a large tonnage of high grade indicated by drilling. Shaft sinking is under way. Company is financed to production. We expect to see the market advance sharply during the next two months. Market 76c.

H. J. Dingman & Company Limited
330 Bay Street
TORONTO, ONT.

WESLEY GOLD
BOUGHT — SOLD — QUOTED
Cameron, Pointon and Merritt
MEMBERS The Toronto Stock Exchange
44 Adelaide St. W., Toronto
WA. 2961

We invite your Enquiry regarding Mining or Industrial Securities

Bowcock, Hackett & Morgan
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Telephone: Adelaide 0323
320 Bay Street - Toronto

COMMANDOR MINES LIMITED
Subscription to initial offering obtains one escrowed share bonus for each two subscribed for, if such shares are retained until December 31st next.
Subscriptions facilitated and detailed information gladly supplied.
W. F. HOGG & CO.
Members The Toronto Stock Exchange
320 Bay ADelaide 4171 Toronto

Current Chatter From Manitoba

Gurney Shaft Deepened

The shaft at Gurney Gold being deepened to 600 ft. has been completed to 500 ft. and at this depth the ore body has been cut showing a width of between five and six feet and with values averaging around .5 oz. in gold, according to word which has just been received in Winnipeg. Gurney anticipates taking its milling plant over winter roads and will be ready to commence construction in the early spring.

• • •

Beaver Lake Active

Several operations are being conducted at Beaver Lake just over the border in Saskatchewan and 14 miles southwest of Flin Flon. Missi Island Mines, financed by Toronto interests is preparing for a substantial development programme in the early spring, to be followed by diamond drilling.

Sonora Gold Mines in the same territory is diamond drilling and is carrying out a programme of surface development work under the direction of Dr. J. F. Wright.

Monarch Gold Mines, also at Beaver Lake, is operating a 25-35-ton mill. Dr. Wright is one of a group who have leased the property which is being operated under the direction of O. B. Gwillam. A vein which has been opened up shows about 10,000 tons of ore running $35 to the ton. The owners are paid a royalty.

ST. PIERRE CADILLAC GOLD MINES LIMITED
DEFINITELY ENCOURAGING RESULTS PROVIDED WITH AMPLE FUNDS FOR DEVELOPMENT
SOUND MANAGEMENT — EFFICIENT ENGINEERING
INFORMATIONAL CIRCULAR UPON REQUEST
BOUGHT — SOLD — QUOTED
LOUIS L. MORIN & CO.
1210 Aldred Bldg.
MONTREAL PLATEAU 6651

BRENGOLD MINES
Diamond drills now probing below 200-foot level at the Company's Sturgeon River property.
Brengold also holds property adjoining Argosy, in the Patricia District, where important developments are taking place.
Full Information on request.
H. N. HANSEN & CO. LIMITED
67 Yonge St. ELgin 7356 Toronto

LAGUNA GOLD
Bullion recovered month of December $36,500.00
Five months' production to date $164,700.00
"Further Information on Request"
MILNER, ROSS & CO.
Members Toronto Stock Exchange
330 Bay Street, Toronto WA. 1701
Pigott Bldg., Hamilton Telephone—Regent 4880

MARA & McCARTHY
Members
The Toronto Stock Exchange
Montreal Curb Market
The Canadian Commodity Exchange Inc.
Canada Permanent Bldg., 320 Bay Street, Toronto
Telephone — ADelaide 9151

COTTON FABRICS AND YARNS

DOMINION TEXTILE COMPANY, LIMITED
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

Week in Mining

Copper Market Sustains First Set-back in Price

Slight Decline Appears to Have Little Bearing on Canadian Picture

The first set-back that copper prices have had since they started to move some months ago, occurred last week, and left the market rather uneasy.

While it seems unlikely for some time that copper prices can move much higher than they have done in the recent move, there seems to be little reason to assume that the comparatively slight decline experienced in the market price of copper will interfere with plans of such companies as Sherritt-Gordon, Waite-Amulet, and others.

Sherritt first started reopening its property in May, 1936, when copper prices averaged 9.1 cents per pound. At date of writing, comparable prices are close to 13 cents per pound in London. It might be argued that the decline in price has at least shaken down some of the copper stocks, and eliminated much of the speculative element in market prices.

Gold stocks remain dependent largely on isolated action, appearing to lack any general motive.

Cheered by the announcement that the Alberta Government's policy regarding oil and gas development would remain unchanged, despite the regrettable resignation of Hon. C. C. Ross, western oil stocks regained much of the ground lost on news of Mr. Ross's resignation.

Copper at Peak?

SOME United States observers are arguing that copper prices are now at their peak, and that further substantial advances in price are unlikely.

It is admitted that part of the sudden rise in U. S. domestic prices to 12.5 cents per pound is justified by the increase in U. S. consumption to an estimated figure of 756,000 short tons in 1936, from 532,000 tons in 1935.

It is pointed out, on the other hand, that the rise in prices has encouraged low-cost mines to step up production, and has brought many marginal producers back into the picture. In recent months, U. S. production has been at the rate of 900,000 tons annually. The volume of copper sales in recent months has indicated that consumers are building up their inventory against further rises in price. It is not considered probable that 1937 consumption will reach the 1929 record, and, accordingly, present sales would tend to taper off.

In the world market, the removal of all production restrictions, will, it is argued, boost production still higher than the present rate of 1,250,000 tons annually. On the other hand, consumption last year dropped slightly to 1,034,000 tons from the previous year's 1,054,000 tons.

* * *

Anglo-Huronian

ANGLO-HURONIAN LTD., is becoming more and more a vehicle for the investment in Canada of outside capital.

Following the entrance last summer of Lehman Corp., and Lehman Bros., of New York, into the picture, the announcement is now made that Consolidated Gold Fields of South Africa group, a well-sponsored and powerful English firm, have acquired a substantial interest in the Canadian holding company.

Anglo-Huronian has long had international facilities, and has had on its board representatives of both English and American capital. The entrance of such a large firm as Consolidated into the picture not only strengthens this aspect of Anglo-Huronian, but should react creditably on the opinion in which Canadian mining ventures are held in the Old Country.

* * *

Elbow Well in New Ground

ADVICES from the West indicate that considerable interest is centering around the well of the Elbow Oil Co. on the Moose Mountain and Birch Ridge structures, about 36 miles west of Calgary. At latest reports, this comparative old timer, resuscitated by the current boom, is down 4,815 ft. A few feet higher up, a strong flow of gas was encountered, estimated as high as eight million cubic feet daily. Brown sands should be encountered shortly.

Beside the fact that this well is located some miles from Turner Valley proper, and in comparatively new ground, interest is added to the operation by the fact that the Morris family, of Philip Morris cigarette fame, are represented on the board.

* * *

Ontario Production

HON. PAUL LEDUC, Minister of Mines for Ontario, has assumed the daring rôle of prophet and has forecast that the probable value of Ontario's mineral production in 1937 will be in the neighborhood of $213,210,000, as against $179,230,000 in 1936.

Mr. Leduc is in a position to obtain an authoritative forecast, and the fact that he occupies a public position makes him more than ordinarily cautious.

Mr. Leduc's figures tell the story of another big year for mining. Metal production, it is believed, will have an approximate value of $193,210,000, or an increase of over $32 millions on the 1936 figure. Non-metallics are expected to amount to $10 millions, or over 7½% more than in the previous year. Structural materials, it is forecast, will advance to about $8.5 millions or 21% over the 1936 figure. Clay products will also show an improvement of about 7% over last year.

Most important gain in the coming year will be, it is believed, in the nickel-copper class, which will reach a value of over $91 millions in 1937. Production in this group in 1936 had a value of about $68.5 millions.

The minister's forecast gives 1937 gold production a value of $88 millions, as against $82 millions in 1936.

If these forecasts are correct, and there is no reason to believe they are not, 1937 will be a banner year for the mining industry in Ontario, and conditions in Ontario mining generally reflect conditions in the other provinces.

* * *

C. N. R.'s Quebec Expansion

WORD in Montreal is to the effect that the new railway line projected by the C. N. R. from Rouyn to Senneterre will not be complete and in operation, as a whole, for about two years. This winter, clearing and grading of the right-of-way is being done, and part of the line, it is expected, will be in operation next summer.

Options

In accordance with listing regulations, the Toronto Stock Exchange has been advised regarding options and underwritings upon the treasury shares of the following companies:

Clericy—A block of 10,000 shares, part of Jan. 4 installment of 35,294 has been taken up at 8½ cents per share under agreement June 4 and an extension of time has been granted on the balance.

Parkhill—Advises that 6,750 shares were issued at 18 cents per share on Dec. 1, 1935 and 6,506 were issued at 25 cents on Dec. 31, 1936, bringing total issued capital to 3,000,000 shares.

Astoria Rouyn—By agreement Nov. 30, 200,000 shares were underwritten at 6½ cents per share payable within 10 days of the filing with the Provincial Secretary of Quebec a certified copy of a resolution authorizing treasury shares to be sold at a discount. An option has also been granted on 1.2 million shares in four blocks, the first 300,000 shares at 7½ cents by Jan. 20; a like amount at 8½ cents by March 1; 400,000 at 10 cents by April 1 and 200,000 at 13 cents by May 1.

Morris Kirkland—Has issued 3,750 shares in full settlement of claims for commission payable under the formerly existing option on treasury shares.

Sudbury Contact—An additional 75,000 shares, balance of installment provided for Dec. 31, has been taken up at 30 cents per share under underwriting and option agreement Oct. 10. This concludes the option.

Red Lake Staking in 1936 Beaten Only by Big Rush

From Our Own Correspondent

KENORA.—More claims were recorded in the Red Lake Mining Division during 1936 than any year except 1926, when the big rush to Red Lake took place and 6,000 claims were registered. The 1936 total was 2,046, as much as 1934 and 1935 put together. Total number of miners' licenses issued was 1,129.

Anglo-Huron. Interest Sold In Gt. Britain

Consolidated Gold Fields of South Africa Buys 100,000 Shares

HOLDING COMPANY

Consolidated Gold Fields of South Africa, powerful British holding company, and owner of all the issued stock of New Consolidated Gold Fields, has acquired 100,000 shares of Anglo-Huronian Ltd., Canadian holding company, at $6 per share, The Financial Post is officially informed. Later Consolidated Gold Fields will be offered a seat on the board.

Of the stock acquired by the British company, 47% is issued from the treasury, and 53% is being contributed by certain groups of large shareholders. On this basis, the treasury stock of Anglo-Huronian would be depleted by only 47,000 shares. As at July 31 last, Anglo-Huronian Ltd. showed 697,395 shares of its two million share capitalization still in the treasury.

During 1936, Lehman Corp. and Lehman Bros. of New York, acquired a substantial interest in Anglo-Huronian, both from former shareholders and from the treasury.

Pato Dredge Shares Gold

Canadian Interest in Gold Dredging Scheme in Colombia

From Our Own Correspondent

MONTREAL.—Greenshields & Co. announce the sale of 400,000 shares of Pato Consolidated Gold Dredging at $2.50 a share. These shares were purchased from Placer Development Ltd. and Pato Mines (Columbia) Ltd., in equal amounts and the sale does not represent new financing on behalf of the company.

Pato Consolidated was incorporated in British Columbia in 1934 to acquire the assets of Pato Mines (Columbia) Ltd. of England. Originally a private company, controlled jointly by Pato Mines (Columbia) and Placer Development Ltd., it was converted into a public company in Jan., 1936, when the authorized capital was increased from two million to five million shares of $1 par value.

At present the company has outstanding 2.7 million shares, all of which have been issued with the exception of 200,000 shares which are under option.

The properties of this company which extend 16 miles in length, are situated on Nechi River in Colombia, some 450 miles inland from the delta of the Magdelena River which enters into the Caribbean Sea. During the last year or so the company's holdings have been consolidated and extended by the purchase of additional property, while further acquisitions are being contemplated.

As at May 1 last, the company had indicated dredging reserves of 189 million cubic yards, on which the recovery is estimated at 17.4 cents and the cost at 6.1 cents per cubic yard. In addition there are further possible reserves of 300 million cubic yards of gravel, on which the recovery is estimated at 12.9 cents and the cost of recovery at 5.2 cents per cubic yard.

Laguna's Mill Runs 64 Tons

December production at Laguna Gold Mines, Manitoba subsidiary of Mining Corp. had a value of $36,500, The Financial Post is officially informed. This brings the total for the company's first five months of production to $164,700, or an average of approximately $33,000 per month.

Drifting and crosscutting on the 875-ft. level and 1,000-ft. level is officially reported to be increasing known ore reserves. The mill at the present time is averaging 64 tons daily, with mill heads approximating .70 oz. or $24.50 gold per ton.

Bain Offers Stock In Pickwick Gold

H. R. Bain & Co. is offering 250,000 shares in Pickwick Gold Mines at 30 cents per share.

Pickwick Gold Mines, incorporated last December, owns 10 claims in the Pickle-Patricia area in northern Ontario. The property is approximately one mile north of Pickle Crow, Winoga, Patricia, and Albany River property.

Diamond drilling, started last October, has resulted in core assays ranging from a trace to $44.10 per ton.

Pickwick has an authorized capitalization of three million shares $1 par value. As at Jan. 12, 1937, $1,250,006 were issued of which $1 million shares ,were issued for property After the present offering, there will remain in the treasury 1,499,994 shares.

Mining News Concentrates

Beaufor Gold Mines—J. P. Norrie reports that underground work was continued in drift 342 where interesting structure is being followed and from drill intersections, ore is soon expected. The 600-ft. level was advanced 99.6 ft. and is coming into ore-bearing formation. One 12-inch vein already has been encountered. Diamond drilling below the south ore zone has cut several important ore sections carrying values up to $10.15 per ton, Mr. Norrie reports.

* * *

Kirkland Gateway Gold Mines—reports that an agreement has been entered into for raising funds to diamond drill the group of 10-claims north of the property of Golden Gate Mining Co. and a little southwest of the Macassa mines. It will be recalled that in 1934 Kirkland Gateway sold six of its mining claims to the Golden Gate Mining Co. for one million shares which are now held in escrow.

* * *

Lake Shore Mines—For the three months ended Dec. 31, Lake Shore produced bullion to the value of $3,947,024 from 225,923 tons of ore, an average recovery of $17.47 per ton.

* * *

L. B. United Mines — Dr. T. L. Gledhill recommends continued development of the property. He recommends that drifting be carried farther to the northwest and ore from this development be stored until about 200 to 300 tons has been accumulated when the mill could be started on a reduced rate of about 20 tons per day. He states that the ore treated, after allowing for dilution should run about $10 per ton.

* * *

Macassa Mines—December production at Macassa at $105,562 was the second highest monthly figure in 1936, being exceeded only by October production. Production for the 12 months ended Dec. 31, 1936, amounted to $1,237,780, from 70,878 tons of ore compared with a 1935 production of $1,070,612 from 68,627 tons. On a per ton basis, 1936 recovery amounted to $17.48 per ton, compared with $15.60 in 1935.

* * *

Matona Gold Mines—reports that the free gold, reported in a previous issue, is still showing in the northwest drift on the 125-ft. level. Latest reports showed this still in the face of the drift over a width of 54 inches. To date 714 ft. of drifting, of which 360 ft. was in the northwest drift, and 105 ft. of crosscutting have been done on the 125-ft. level.

* * *

St. Pierre Cadillac Gold Mines—expects to start on a 5,000-ft. diamond drill campaign before the end of the month. Development work to date includes 16,000 ft. of trenching and pitting.

* * *

Wales Red Lake Gold Syndicate—reports that trenching, stripping and test pitting on its property in the vicinity of Madsen has opened up interesting mineralization. Widths and lengths have not as yet been determined.

* * *

Wesley Gold Mines—has acquired seven claims on the northeast arm of Larder Lake. The management report that a drill programme under Dr. M. F. Teskey will get under way immediately. The company claims sufficient finances.

* * *

Wood-Cadillac Mines—Listing of an additional one million $1 par value stock of this company has been approved by the Toronto Stock Exchange, bringing total listed capital to four million shares. Recently, authorized capitalization of this company was increased from three to four million shares.

New Superintendent

WINNIPEG.—Frank Baker, geologist at God's Lake Gold Mine, has been promoted to the superintendency of the property, succeeding Eldon L. Brown who becomes its consulting engineer. Mr. Brown is also consulting engineer for Sachigo River Exploration Co. and will have charge of the work at Sherritt Gordon. He is also consulting geologist for an important property in Red Lake. Mr. Brown intends to purchase a 'plane to enable him to cover the wide area of his manifold duties.

Obalski Report Shows Interesting Values

Reporting on the Caché Bay property in the Chibougamau district of Obalski Mining Corp., Leonard Germain, engineer, states that some 600 channel samples cut on the three main quartz veins between Oct. 15 and Dec. 15 have brought to light the existence of six gold-copper ore shoots distributed over the three veins. Results show a combined length of ore shoot of 929 ft. of an average width of slightly over 3 ft. 4 inches.

N. C. URQUHART & CO.

STOCK BROKERS

Members Toronto Stock Exchange

15 King Street West Toronto, Ont.

ADel. 6028

INITIAL OFFERING CONFIRMING PREVIOUS ANNOUNCEMENT

COMMANDOR

MINES LIMITED

(No Personal Liability)

CAPITAL: 3,000,000 SHARES $1.00 PAR

Issued for Properties: 1,200,000 Shares in Escrow - - - - - - Issued to Date 1,200,005 shares

300,000 SHARES AT 15c Per SHARE

CERTIFICATE OF ASSAY—No. 7501

Samples.	Gold oz. per ton.	Gold val. per ton.	Per Cent. of
No. 1 pit	0.01	$0.35	copper 16.94%
No. 2 pit	0.01	$0.35	copper 17.79%
No. 3 pit	none		copper 26.00%
No. 4 pit	0.01	$0.35	copper 23.49%
No. 5 pit	none		copper 0.26%
No. 6 pit	none		copper 0.30%
No. 1	none		copper gold wall
No. 2	trace		copper gold wall
No.—	none		copper 3.42%

Oct. 22, 1936, Per W. F. Green, Ontario Prov. Assayer

The above assays from grab samples taken by Edward Irvine, Field Manager, show very substantial values, but ore of commercial quantity and value is not claimed.

UNUSUAL BONUS OFFER

READ PARTICULARS

Every subscriber to this issue will be entitled to receive as a bonus, without charge (other than transfer tax and recording fee), one share of escrowed vendors' stock for every two treasury shares purchased, provided the treasury shares are retained intact until December 31st next. The purchaser is under no obligation to retain his treasury shares for the above period, but if they are not retained the right to the bonus shares is lost. A bonus share warrant conferring the right to bonus shares will be delivered to each purchaser, together with the certificate for treasury shares purchased. For example, each purchase of 1,000 treasury shares carries the right to a bonus of 500 escrowed vendors' shares subject to above condition.

COPPER AND GOLD

PROPERTIES

The above high assays represent very substantial figures per ton. If the company is successful in proving up a commercial ore body of a grade of even one-third the average of the above high assay values at present market prices for metals the importance of our properties is assured.

In addition to the COPPER-GOLD property of 1,400 acres located in Duverny Township, Quebec, from which the above samples were secured, the company likewise owns a GOLD property of 800 acres in the same Township on a strong structure which is considered of major importance, near other mining activity which is reported as securing high gold values.

The increasing demand for copper, its steadily mounting price during the past few months, the rapid appreciation in the value of copper shares gives new importance to copper mines and copper prospects, particularly COPPER-GOLD properties. The additional evidence of gold values with the copper on our property is a most important factor, as there is good reason to believe that these gold values in this area will increase at depth.

All mining is a gamble, but the percentage of gamble is greatly reduced and the ultimate possible profits to the shareholder greatly increased when the company is directed by capable men, developing mineral structures of genuine merit, with the sincere purpose of securing a mine. The initial issue of any successful company generally proves the most valuable. A reasonable purchase of the shares of this company may prove to be a valuable holding in the future.

The shares offered are Treasury shares and the proceeds of their sale go into the Treasury of the Company, less selling expenses allowed under the Ontario Companies Act.

The right is reserved to allot none, or a portion only, of the amount applied for in the event of oversubscription of this issue.

ORDER THROUGH YOUR BROKER OR FROM COMPANY DIRECT

MAIL YOUR SUBSCRIPTION TODAY MAKE ALL CHEQUES PAYABLE TO COMPANY ONLY

COMMANDOR MINES LIMITED

(No Personal Liability)

Suite 705, 330 Bay St., Toronto, Canada

Telephone ADelaide 4517

WRITE FOR A DESCRIPTIVE PROSPECTUS

Sarmac Gold Mining Corporation

(No Personal Liability)

CAPITALIZATION

Authorized (par value $1.00 each)	3,000,000 shares
*Issued for properties	980,000 shares
*Issued for option on adjoining property	20,000 shares
*Subscribed and paid for	400,000 shares
Underwritten and now offered	220,000 shares
Under option to underwriter	1,200,000 shares
Balance in Treasury	180,000 shares

**In escrow with the General Trust of Canada, until released by the Registrars of the Province of Quebec and Ontario.*

Transfer Agent: GENERAL TRUST OF CANADA, Montreal.

HISTORY: The Company was incorporated in 1936 under the Quebec Mining Act, to acquire the Dikdik Mine and the adjoining property in the Jellicoe Gold Area, northwest of Little Long Lac, Thunder Bay District, Ontario.

PROPERTY: The Company owns nine mining claims, and holds options on nine additional claims; the whole having an area of approximately 720 acres. A good winter road connects the property with the Canadian National Railways at Kinghorn, a distance of 10 miles, while airplane service is available from Jellicoe, approximately 10 miles away. A summer water route also connects the property with the railway.

DEVELOPMENT: A vertical two-compartment shaft has been sunk to a depth of 262 ft. with stations at 150 and 250 ft. A total of 783 ft. of crosscutting and drifting has been completed to date on the 150 and 250 ft. levels, in addition to 60 ft. of drifting on a sub-level at 100 ft. This was reached by a raise from the 150 ft. level.

High grade ore was mined from an open cut in the greenstone near the east contact of a tongue of granite protruding from the main stock. Mill operation between April and October, 1935, resulted in the production of 1,997.355 oz. gold from 3,294 tons of ore—an average of .606 oz. gold per ton milled, equivalent to $21.21 (gold at $35 per oz.). Total production for the six months of mill operation was valued at approximately $70,000.

FINANCES: The Company is carrying on an extensive exploration and development campaign. It is assured of ample funds for this purpose.

Should the exploration, including diamond drilling, drifting, etc., prove satisfactory, as it is anticipated it will, it is the intention of the company to increase milling capacity.

After all stock (with the exception of stock held in Treasury) is purchased and all options are fully exercised, the Company will have received $668,500.

OFFICERS AND DIRECTORS

J. ERNEST SAVARD
President
President Ernest Savard Limitée
Director Champlain Oil Products Co. Ltd.
Director Provincial Transport Co.
Director Regent Knitting Mills, Ltd.

R. M. RAINVILLE
R. M. Rainville & Co., Montreal

AYME LAFONTAINE, K.C.
Secretary-Treasurer
Director Commercial Alcohols Ltd., Montreal

J. BRUCE McMARTIN
Director Hollinger Consolidated Gold Mines, Ltd.
Director Trusts and Guarantee Co.

ARMAND A. COLLET
President Collet Frères Ltd., Montreal
Director Big Missouri Mines Corporation
President Canadian Real Estate Co., Limited

J. A. LAROCQUE
Director Read-Authier Mines Limited

CONCLUSIONS: The Sarmac Gold property is well located in an important gold area. Taking into consideration its extensive acreage, results already obtained, completeness of equipment, ore showings and adequate finances, the shares appear to offer an attractive mining speculation at a low cost.

Circulars and additional information on request

Offering Price: 25c per share

ERNEST SAVARD, Limitée

Room 510, Aldred Building - MONTREAL 105 Mountain Hill - QUEBEC

The information contained in this circular, while not guaranteed, was obtained from sources which are believed to be reliable.

WE MAINTAIN ACTIVE TRADING DEPARTMENTS SPECIALIZING IN LISTED AND UNLISTED CANADIAN MINING AND INDUSTRIAL SECURITIES.

Our statistical staff would be pleased to answer inquiries regarding all classes of securities.

F. J. CRAWFORD & CO.

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All of these shares having been sold, this advertisement appears as a matter of record only.

400,000 Shares

Pato Consolidated Gold Dredging Limited

Incorporated under the Companies' Act in British Columbia

Capital Stock, Par Value $1.00 per share

Circular containing information received by us from Mr. Charles A. Banks, Managing Director, Pato Consolidated Gold Dredging Limited, will be promptly furnished on request.

Price: $2.50 per share

When, as and if received by us and subject to approval of our counsel.

Greenshields & Co
Incorporated

British Group Now Controls Nicola Mines

Transfer Indicates Trend Toward B. C. Investments

MORE TO COME

From Our Own Correspondent

VANCOUVER.—One of the biggest mining deals in British Columbia in the past several years is foreshadowed by announcement of the transfer of control of Nicola Mines & Metals to South African and British Columbia interests who are said to contemplete additional purchases of extensive acreage in the Merritt district which may eventually lead to acquisition of several more mines and a few cattle ranches.

The deal is a further indication of the growing interest in British Columbia as a field for investment by British capitalists. Identity of the new owners has not yet been disclosed, but it is known that, apart from large holdings in South African gold mines, they have important connections in London financial circles.

British money has recently entered many other British Columbia mining properties, notably in the Cariboo. London capital is also being poured into North Vancouver development, including building of the First Narrows bridge. As an indication of confidence in the whole undertaking, A. J. T. Taylor, head of the British investment group behind the North Vancouver development and bridge construction, this week announced construction of a $50,000 home for himself near the area being subdivided.

Plan Big Tonnage

Peter Bancroft and Nels Nelson, chief shareholders in the Nicola, have disposed of their entire holdings to the British group, and it is reported that the new owners will make Nicola a big tonnage operation with a much larger mill than at present is on the property. The company has been shipping lead concentrates regularly to the British Metals Corp., London.

Nicola Mines & Metals is capitalized at 5,000,000 shares. It was organized in 1933 to take over the old Planet mine and the adjoining Donohue property.

Canada Northern Adds Seven Mines

Last Quarter of 1936 Witnesses Wider Demand for Power

From Our Own Correspondent

MONTREAL.—Seven new mines were added to the power system of Canada Northern Power Corp. during the last quarter of 1936, according to a statement sent out by the management to shareholders.

In its report the company states:

"Activity in the Cadillac section of Northern Quebec has been maintained and branch transmission lines to the following properties have been completed: Bouscadillac Gold Mines, Central Cadillac Gold Mines and Kewagama Gold Mines. These new customers are all utilizing power.

"In the Boischatel camp, contracts for power have been entered into by Halliwell Gold Mines and Francoeur Gold Mines. A contract has also been entered into with Powell Rouyn Gold Mines in the same district.

Enter New Area

"In the Blouin Lake area an extension has been made to the Greene Stabell-Sullivan line, in order to supply power to Gale Gold Mines. Power was turned on at this property during December.

"Additional equipment has also been installed by many of the mines in the Kirkland Lake area and the Morris-Kirkland Mines mill has been placed in operation.

"The franchise governing the supply of domestic and commercial power in the township of Teck, which includes Kirkland Lake and Swastika, was renewed by a majority at the municipal election held early in December."

Bulolo Gold Dredging Output Ahead of 1935

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging reports that December production amounted to 12,027 fine ounces, compared with 12,318 ounces in the previous month and 6,774 ounces in Dec., 1935.

Estimated working profit last month totalled 8,623 fine ounces, equivalent to $301,805 in Canadian funds, taking gold at $35 an ounce. In November the working profit amounted to $303,520 and in Dec., 1935, to $171,570.

During the past month 785,000 cubic yards of gravel were dredged, compared with 856,000 cubic yards in the previous month and 615,000 cubic yards in December of the previous year.

Sladen Malartic Mines Releases More Stock

From Our Own Correspondent

MONTREAL. — Sladen Malartic Mines reports 25,000 additional shares at 65 cents a share have been taken up under the terms of the option agreement. This leaves a balance of 203,000 shares in the 65-cent block. A total of 2,074,016 shares are now outstanding in the hands of the public exclusive of escrowed stock.

Int. Petroleum Output Near Peak for Year

Production of International Petroleum Co. in Peru and Colombia was 2,945,282 barrels of crude oil in December, a daily average rate of 95,009 barrels.

This is a higher average rate of production than at any time in 1936 except for September when the average daily production was 95,612 barrels.

Mining Enquiries

Coulson Consolidated

I am enclosing some literature sent me by I. F. C. of Toronto. This was followed up by a telephone call, and a suggestion to buy stock in Coulson Consolidated. I bought some and wonder if I did wisely.

The time to wonder if you were doing wisely was before you bought the stock.

We have seen many examples of the promotional methods of International Fiscal Corporations, C.P.R. Building, Toronto and we are far from impressed.

You can readily understand that it is difficult to obtain concrete estimates of the stability of such concerns inasmuch as they are not members of any recognized exchange and their books are not open to public scrutiny.

The Corporation has been conducting a vigorous sales campaign, flooding the mails with this type of literature for some time. They are however, acting within Ontario securities legislation as at present drafted.

Coulson Consolidated Gold Mines which has a property in Beatty Township, Ontario, which has been partially developed under former operators. It has never demonstrated that it has any particular merit, and the stock, of course, lacks marketability.

In view of these facts, we would exercise a considerable amount of caution in dealing with this proposition.

Hudson Bay Smelters

Kindly advise how the earnings of Hudson Bay Mining & Smelting Co., compare with the present dividend.

The 1936 earnings of Hudson Bay Mining and Smelting Company, Ltd., will not, of course, be known until the annual report appears in April next. This company paid its initial dividend of 50 cents per share on Aug. 31, 1935. And another 50 cents was paid Dec. 16, 1935 bringing payments for that year up to $1 per share.

In 1936 two dividends of 50 cents per share each were paid bringing the 1936 total to $1 per share.

In 1935, earnings per share of Hudson Bay amounted to $1.17 per share.

It is apparent that per share earnings for this company in 1936 must have reflected generally improved copper and zinc prices. The price of the latter metal as you probably know did not show any material increase until the latter part of the year but copper prices have been consistently better over the 1936 period than they were in 1935. It is therefore logical to assume that 1936 earnings should be materially better than the $1.17 per share earned in 1935. The fact that the dividend on the other hand remained at $1 per share would indicate that the company will be able to put aside a substantial reserve from 1936 operations.

O'Brien Gold

I hold 50 shares of O'Brien bought last summer at $1.60. I constantly hear that this mine is selling far too high for present profits. What is your advice for me to do with my stock? Many thanks.

You have probably noticed that since your letter was written, the market price of O'Brien Gold Mines has declined.

An analysis of the annual report of this company, recently released, gives, in our opinion little basis for this decline. The sensational ore has definitely been established on the 11th level, and, you will note that the general manager expresses the opinion that there is a strong possibility of it continuing to deeper levels.

There is no doubt, however, that when O'Brien was selling at prices around $13 per share, the stock was discounting future prospects rather than actual achievement. In this regard it is interesting to note that the general public were placing a far greater market valuation on O'Brien stock than they were on such well-established companies as MacIntyre Porcupine.

Briefly, the company is in a comfortable position both from the property point of view and from the treasury position. As you doubtless know, equipment for doubling the present capacity should be in operation by the middle of February.

We refer you in this regard to article discussing the annual report appearing in The Financial Post of Jan. 16.

McLaren Porcupine

I am very interested in the McLaren-Porcupine Gold Mines and would appreciate very much your giving me what information you can in connection with the proposed development there.

McLaren-Porcupine Gold Mines is developing its property in Deloro Township, Porcupine mining division. Work done to date has been fairly encouraging and latest reports are that work at 70 ft. has encountered some nice looking ore. The property is, of course, a long way from becoming established, and a considerable amount of work will be necessary before the company can make an estimate of its ore reserves. Accordingly the stock will remain quite speculative for some time.

The company is capitalized at three million shares no par value of which as at Sept. 21, 1936, 1.7 million shares had been issued. At that date, the company officials informed us that ample funds were available to meet the present development programme. They explained, however, that more would be needed before the development programme had reached the mill stage. Although the property is equipped with a 25-ton daily mill, the Ontario Department of Mines reports no production for the first nine months of 1936.

Afton Gold

Please give me your opinion of Afton Gold and its prospects. I am told locally that prospects are good this year for Afton and I wish to get some information on the company's property.

Recently Afton Mines acquired a property near Amos, Que. Peliminary work on this property is reported to have shown rather encouraging values in copper and gold. However, the property is still very much a prospect and a considerable amount of work will be necessary before a workable estimate of its prospects can be made.

In June, 1936, Afton distributed one million shares of new Golden Rose Mines to shareholders. In Sept., 1936, the company acquired a property of eight claims in Malartic Township, Quebec. However, little has been reported from this property and one can only assume that development work was disappointing.

The latest financial statement issued by this company was as at April 21, 1936, when they reported $41,838 cash against no liabilities.

British Wainwright

I am holding 100 shares of the British Wainwright Oil & Development Co., Ltd., for which I paid $100 in 1925.

At the time I was told that this was the nucleus of a fortune, but at the present time I am still holding the nucleus.

British Wainwright Oil and Development Company Ltd. is still active on a limited scale, and has its head office at 703 Paris Building, Winnipeg. The company's operations are confined to production from a small well in the Wainwright field, Alberta. The company has not, however, to our knowledge, published any income and surplus account or other financial statements recently. The managing director is B. F. Beaubier, Wainwright, Alberta.

Teck-Hughes

I have some Teck-Hughes that cost about $1 per share more than the present market. Do you think there is a danger of a still further decline, without recovery to the price I paid?

As you probably know, the long-term interest in Teck-Hughes stock centres on its large interest in Lamaque Gold Mines, the Quebec subsidiary. Teck - Hughes Gold Mines owns all the $2 millions 5% mortgage bonds issued by Lamaque and 70.8% of the common stock outstanding. Lamaque is giving a very satisfactory performance and is accumulating substantial amounts toward liquidation of this $2 millions bonded indebtedness. Some believe that an interest in Teck-Hughes via the common stock, is the quickest way of getting a return from the Lamaque operation. In other words, they are buying Teck stock rather than Lamaque because of the strong control held by Teck.

As to the Kirkland Lake property of Teck-Hughes, one has the word of the president to the effect that ore reserves at present are sufficient to operate this property at the present rate for three years, and after that several more years for clean-up at a diminishing rate of profit. There appears to be a slim possibility of finding other ore bodies which would extend the life of the mine, owing to the narrowness of the Teck property.

We would not, of course attempt to predict the course this stock will take in the next year or so. There is, however, in the present picture, little reason, in our opinion to expect a further sharp decline in the market value.

Sarmac Gold Stock Put on Market at 25c

From Our Own Correspondent

MONTREAL. — Ernest Savard Ltée. and R. M. Rainville & Co., Montreal, are making a public offering of 220,000 shares of Sarmac Gold Mining Corp. at 25 cents a share.

Sarmac Gold has acquired the properties of the Dikdik Exploration Co. in the Jellicoe gold area, northwest of Little Long Lac, Thunder Bay district of Ontario. It owns nine mining claims and has options on nine additional claims, the whole having an area of approximately 720 acres.

The company has a capitalization of three million shares, of which 980,000 shares have been issued for properties; 20,000 shares given for option on adjoining properties; 400,000 shares subscribed and paid for (all the foregoing held in escrow); 220,000 shares now being offered; 1.2 million shares under option to the underwriters, leaving a balance of 180,000 shares unissued in the treasury.

Creditors Ask Investigation Into 'Peg Firm

Seek Connection of Anderson, Greene Co. With Stock Exchange

SPURN SETTLEMENT

From Our Own Correspondent

WINNIPEG.—Trading creditors of Anderson, Greene & Co., Winnipeg stockbrokers, who closed their doors Nov. 5, 1936, refused recently the company's solicitors' offer whereby the creditors would have received 15% spread over three years.

The trading creditors insist that there should be an investigation of the Winnipeg Stock Exchange of which Anderson was president, and of the Public Utility Board, which works closely with the Stock Exchange. A meeting of creditors was held in Winnipeg recently, called by some of the larger losers. The meeting was only for the trading creditors and not for general creditors.

A committee was appointed to interview solicitors for T. C. Anderson and see if some agreement could be reached by which a portion of the amount of cash involved could be made accessible for the clients. It is generally understood that a certain amount of money has been raised.

There are, it is said, two or three clients, however, who refuse to listen to any compromise arrangement and are determined on legal action.

In the meantime in a suit filed in the court of King's Bench here, one Charles Libert is asking the return of 100 shares of Sachigo River Exploration Co. from Edward H. Crawford. The claim filed says that Libert deposited 225 shares of Sachigo River with the Anderson Greene Co., of which 100 shares were to be held in his name and the balance sold, the money being held at his discretion. He alleges Anderson Greene converted all the shares into the name of one of its own employees and finally used 100 shares to give to Crawford to replace a similar number of shares of Crawford's which the Anderson Greene Co. had converted to its own use. He further alleges Crawford knew the shares he was getting belonged to another customer of the company.

Current Chatter From B. C.

VANCOUVER. — Granby Mining & Smelting Co. has started its preliminary work at Copper Mountain in connection with the resumption of mine operations and reopening of the mill at Allenby.

The company has bought the Bromley Vale coal mine and will use approximately 200 tons of coal daily in its operations. A tramline to convey the fuel will be installed eventually, although trucks will be used at first.

* * *

Hedley Amalgamated Option

Directors of Hedley Amalgamated Gold Mines have decided to cancel the option given 300,000 shares at 30 cents a share. The action was due to the favorable development of the mine recently. The firm commitment for 300,000 shares, which was sold this week at 30 cents, is voluntarily changed to net the company 35 cents. This will mean there will be 2,527,508 shares outstanding, with about $185,000 in the treasury, and no option outstanding on the remaining 472,492 treasury shares.

* * *

Hedley Camp Active

Directors of Hedley Sterling Gold Mines announce they have sold 255,000 shares of treasury stock to provide sufficient funds to carry out the development programme on their property. This ground, as well as Hedley Amalgamated, was originally controlled by the late Dan McKinnon and it was under his direction in 1934 that development on Hedley Sterling was first carried out.

Interest is centering in the Hedley camp at present because of the richer ore being found at Hedley Amalgamated and the continued excellent showing of Hedley Mascot, whose production in December was valued at $92,800.

Mining Companies Newly Formed

Ainsworth Mines — B. C. incorp. Dec. 22, 1936, as an extra-provincial company. H.O. Ainsworth, B.C. Paid-up cap. $605,005.

Alameda Mines—Ont. incorp. Nov. 20, 1936. H.O. North Bay. Author. cap. $3,000,000, par $1.

Benard Cadillac Gold Mines — Que. incorp. Dec. 5, 1936. H.O. Montreal. Author. cap. $3,000,000, par $1.

Canadian Nickel — Ont. incorp., Dec. 9, 1936. H.O. Copper Cliff. Author. cap. $40,000, divided into 4,000 shares of $100 each.

Caramat Gold Mines—Ont. incorp. Dec. 15, 1936. H.O. Toronto. Author. cap. $50,000, par $1.

Cariboo Consolidated Mining — B.C. incorp. Dec. 22, 1936. H.O. 208 Yorkshire Bldg., 525 Seymour St., Vancouver. Author. cap. $1,500,000 in 3,000,000 shares of 50 cents each.

Centremaque Gold Mines — Que. incorp. Dec. 5, 1936. H.O. Montreal. Author. cap. $3,000,000, par $1.

Cherry Creek Mines — B. C. incorp. Jan. 2, 1937. H. O. 612 Vancouver Block, Vancouver. Author. cap. $1,000,000, in 2,000,000 shares of 50 cents each.

Connetricia Gold Mines—Ont. incorp. Dec. 11, 1936. H.O. Toronto. Author. cap. $3,000,000, par $1.

Empress Gold Mines—B.C. incorp. Dec. 28, 1936. H.O. 218 Rogers Bldg., 470 Granville St., Vancouver. Author. cap. $1,000,000 in 2,000,000 shares of 50 cents each.

Homathko Gold Mines—B.C. incorp. Dec. 28, 1936. H.O. 609 Hall Bldg., 789 Pender St. W., Vancouver. Author. cap. $250,000 in 500,000 shares of 50 cents each.

Kettle Valley Gold Mines—B. C. incorp. Dec. 10, 1936. H.O. 826 Standard Bank Bldg., 510 Hasting St. West, Vancouver. Author. cap. $500,000 in 1,000,000 shares of 50 cents each.

Quemaque Gold Mines—Que. incorp. Dec. 12, 1936. H.O. Quebec. Author. cap. $3,000,000, par $1.

Rey Oro Gold Mining—B.C. incorp. Dec. 10, 1936. H.O. 800 Hall Bldg., 789 Pender St. W., Vancouver. Author. cap. 8,000 shares, no par value.

York Bousquet Gold Mines—Que. incorp. Dec. 21, 1936. H.O. Montreal. Author. cap. $3,000,000, par $1.

Surrender of Charter

Morning Star (Fairview) Gold Mines—At a meeting held Dec. 19, 1936, a resolution was passed that the company be wound up voluntarily.—B. C. Gazette, Jan. 7, 1937.

Stabell Gold Mines—Notice given Dec. 26, 1936, that surrender of charter has been made.

Yankee Girl Consolidated Mines —At a meeting held Dec. 10, 1936, a special resolution was passed that the company be wound up voluntarily.—B. C. Gazette, Jan. 7, 1937.

Change of Name

B.R.X. Gold Mines — 640 Pender St. W., Vancouver, will apply for approval to change its name to Aztec Mining.

Crown Point Gold Mines—Supplementary letters patent were issued Dec. 15, 1936, changing the name of the company to Amos Duverny Gold Mines.

Rawhide Mines—626 Pender St. W., Vancouver, intends to apply for approval to change its name to B. R. Amalgamated Gold Mines.

Twin Mac Gold Mines—Supplementary letters patent were issued Dec. 5, 1936, changing the name of the company to Twin Mac Gold Syndicate.

N. S. Gold Output Gains

From Our Own Correspondent

MONTREAL.—Gold production in Nova Scotia in 1936 is estimated at 11,000 ounces, compared with 9,000 ounces in 1935.

Central Man. Shows Better Quarter Profit

Working Capital Also Shows Some Improvement

NOW $256,257

From Our Own Correspondent

WINNIPEG.—Quarterly report for Central Manitoba Mines shows 9,183 tons of ore treated with a production of 3,449 oz. of gold, the average recovery being .375 oz. per ton.

Total revenue of $125,134 was received during the period while working costs amounted to $111,677, or a profit of $13,457, before write-offs compared with a profit of $2,499 in the previous quarter.

The working costs included $47,805 for development compared to $43,790 for the previous quarter. Working capital was increased from $234,886 to $256,257 and $20,000 was received on the purchase price of the company's stock in the Solo Mining Co. and the Victor and adjoining claims, while $500 was paid on the option on the Heather claim.

On the Hope section the 450-ft. level now extends 777 ft. east of the shaft and 665 ft. west. Ore values, the report says, were encountered over short lengths in the vicinity of 700 ft. east of the shaft and development is being continued in the hope of finding ore on the downward easterly pitch of the ore bodies on the upper levels. On the 325-ft. level the stope opened up on the section reported in the second quarter has been extended easterly above the drift for a further 50 ft.

On the Kitchener section the 625- and 875-ft. levels reached the vein at 265 ft. and 375 ft. respectively. On the 875-ft. level 213 ft. of drifting east had been accomplished following a narrow shear with little quartz and low values but the width of the shear is increasing. Drifting west on the 875-ft. level was suspended after advancing 185 ft., the shear being weak and conditions unfavorable.

On the 625-ft. level drifting east had advanced 253 ft. following a strong well-mineralized quartz vein, but values have been low. The west drift on the 625 was suspended at 185 ft. The two east faces are being advanced at about 10 ft. per day toward the block in which the best results are expected.

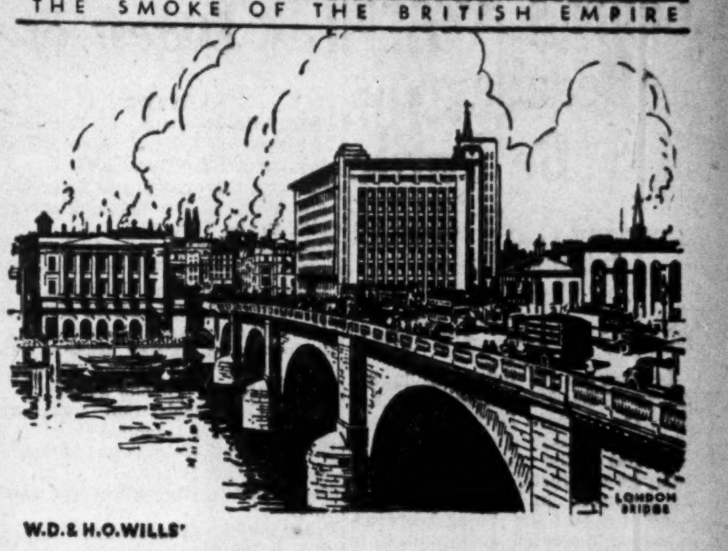
Stadacona-Rouyn Mines Capital Needs Provided

From Our Own Correspondent

MONTREAL. — On the basis of present operations of slightly more than 200 tons daily, ample profits will accrue during 1937 to complete all payments on the mill and provide a balance for enlarged underground developments, according to an official report issued by Roy Anderson, managing director of Stadacona-Rouyn Mines. The underground plan includes deepening of the mine to 1,200 feet and opening of a working horizon at intervals of 125 feet between the 600-ft. level and that depth.

Developed ore ready for movement toward the mill at this time is sufficient for three years' operations on current production basis, the managing director says.

THE SMOKE OF THE BRITISH EMPIRE



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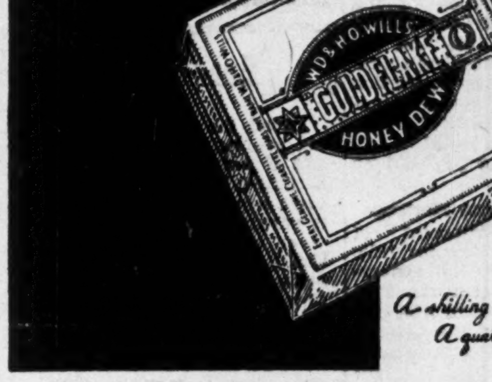
Cigarettes

CORK TIP OR PLAIN



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Who wants more? Who doesn't? What's going on at the Capital? "Backstage at Ottawa," by A Politician With a Notebook, tells you.

DEMOCRACY IN INDUSTRY

No strikes. Security for the worker. Profits for the management. James McCredie Brown reveals how a great Canadian smelter has solved an age-old industrial problem.

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These are but five of a number of features of compelling interest to YOU in—

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Court's Award To Beauharnois May Be Futile

Company Could Earn All Interest Under Decision

EARNS 3½% IN 1936

In view of the upholding in the courts of the Beauharnois contract with the Ontario Hydro, closer attention is being given to former estimates of the company's earnings from its contracts. Discouragement of investors in Beauharnois 5% bonds and common shares, however, is shown in weaker quotations. This slump is based on new legislation introduced in Ontario exempting the Hydro Commission from execution of any court judgment.

Engineers of Beauharnois Light, Heat and Power Co. formerly estimated that earnings, after operating expenses but before income tax and depreciation, from the contracts with the Hydro-Electric Power Commission of Ontario and with Montreal Light, Heat and Power would amount to $3,891,000 in 1936 and $4,764,000 in 1937. This has been affected gravely by the Ontario Government's cancellation of the Hydro contract under the Power Commission Act of 1935. And the company's victory in the law courts will be affected by new legislation of the Ontario Government. Meanwhile the company has filed a new suit against the Hydro for $2,911,363, bringing its claims for payment up to date.

Earnings 3½% on First Mortgage

The financial statement of Beauharnois Power Corp. for 1936, which will soon make its appearance, will show a net revenue of about half that reported in 1935, due to the cancellation of the Ontario Hydro contract. Net revenue for 1936 is estimated at about $1.1 million before depreciation, which is equal to approximately 3½% on the 5½% first mortgage income bonds.

After payment of 3½% on the first mortgage income bonds in 1936, there was a deficit, before depreciation and amortization, which in 1935 absorbed $545,795, the total available, of some $25,000.

With apparently little immediate prospects of regaining, even in part, its Ontario Hydro contracts, Beauharnois' chief source of income will remain its contract with Montreal Power. From this source its net revenue will be increased by another $365,000 this year, but even then it will fall short of meeting first mortgage bond interest, without any provision for depreciation.

Interest on Bonds

Interest charges on the Beauharnois 5½% first mortgage bonds amount to $2.1 millions annually. And interest on the 5% collateral trust bonds which first becomes due April 1, 1938, involves $1.8 million annually. The former estimates, therefore, indicated a substantial margin of earnings above the fixed charges of $3.9 millions annually.

Beauharnois 5½% bonds have mostly been exchanged for Montreal Power 3½% bonds. The 5½% issue, however, remains outstanding as an obligation of Beauharnois, largely to Montreal Power. If the 5½% issue were placed on a lower interest basis, say 4%, it would reduce the company's interest requirements by some $600,000 annually, to approximately $3 1/3 millions.

Award by Court

In the action in Supreme Court of Ontario against the Hydro-Electric Power Commission of Ontario, Chief Justice Rose has awarded $573,750 to Beauharnois Light, Heat and Power Co. The action was for damages in connection with the cancellation of the company's Hydro contract.

The judgment includes interest on amounts due under the contract.

In the judgment, it is stated that the decision was influenced by the recent ruling of the Ontario Appeal Court in the suit of Ottawa Valley Power Co. against the Hydro. Although the Ottawa Valley case involves additional legal problems, the judgment states that the cancellation of the Beauharnois contract must also be ruled to concern matters not within the powers of the Ontario Government.

Ottawa Valley Case

In the Ottawa Valley case, Chief Justice Rose in the first court ruled that he could not give a decisive hearing without the consent of the Ontario Attorney-General to the action. The Appeal Court, however, declared the Power Commission Act of 1935, cancelling the Ottawa Valley contract, ultra vires the Ontario Government. Damages were awarded to Ottawa Valley Power Co. The case is being carried to the Privy Council for final decision. The Ontario Government is taking action to prevent enforcement of judgments ordering the Hydro to pay Quebec companies whose contracts were declared illegal, void and unenforceable in the 1935 legislation. The court awards to the Beauharnois company, and the Government's subsequent announcement of its plans to offset the decision, remove any possibility of settlement with the Hydro, at least for the time being.

Digest of Parliament

Ottawa

Constitutional—House of Commons unanimously passes resolution of loyalty to King George VI.

First reading given act respecting alterations in law touching succession to the Throne.

Financial—Throne speech forecasts revision of capital structure of Canadian National Railways.

Act to abolish gold content clause in Government bonds announced.

Business and foreign trade—New trade pact with United Kingdom announced in Throne speech.

Forecast of legislation to recast Combines Act machinery.

Bill to amend Weights and Measures Act covering jurisdiction of magistrates to hear cases given first reading.

Construction—Retroactive legislation to legalize house improvement loan scheme announced.

Social—Forecast of legislation to provide pensions for blind at less than 70 years.

Bill to provide for payment of arrears under Militia Pensions Act in monthly sums rather than in one lump sum given first reading.

Mining—Bill to amend Precious Metals Marketing Act given first reading.

Insurance—Bill amending Canadian and British Insurance Companies Act (1932) affecting small companies incorporated by the provinces in relation to the deposits which they are called upon to make with the superintendent of insurance.

Transportation—Throne speech includes forecast of legislation to establish Trans-Canada Air Service and legislation to extend authority of Board of Railway Commissioners.

Estimates—Main estimates totalling $405 millions tabled.

Ontario

Hydro—Three bills designed to override possible Privy Council decision against original cancellation of hydro contracts with Quebec power groups given first reading; now in debate on second reading.

Taxation—Throne speech forecasts legislation to exempt gifts to charitable, religious or educational institutions from succession duties.

Bill to relieve municipalities of payment of mothers' allowance and old age pensions announced. (This legislation involves abolition of rebates to municipalities from provincial income tax as announced earlier by the Government).

Highway construction—Comprehensive programme of construction and maintenance forecast in Throne speech.

Social—Legislation forecast to prohibit the sale of codeine and phenobarbitol without a doctor's prescription.

Income Tax Problems

I read the reply to the income tax problem dealing with surtax and if possible would like more specific information on two points. First, when it is stated that surtax is payable on investment income when total income is more than $5,000, is "total" income taken to mean net income, or that subject to tax? Secondly, what is meant by stating that calculation of surtax is on the same basis as general income tax?

Perhaps it would have been clearer to say that surtax is applicable to all investment income where total "taxable" income exceeds $5,000.

In figuring out the ordinary income tax, allowable charitable deductions are subtracted from net income. The result is "taxable income." From taxable income is then deducted any exemption for wife and dependents, the resultant figure representing "net taxable income" on which the general tax is based.

Calculation of surtax is exactly the same in method. But, having determined taxable income, the exemption may vary. Any one of three may be selected by the taxpayer—whichever is most profitable for him. He may, if he has sufficient dependents, choose an amount equal to the sum of his exemptions as shown under the general tax returns. More probable is that he will exempt either $5,000 of any kind of income, or up to $14,000 of "earned income."

As an example, a taxpayer reports "taxable" income of $7,000, of which $4,000 is earned and the remainder investment income. He is married, with no dependents.

The net taxable income for general income tax purposes would then have been $7,000, less the $2,000 exemption, or $5,000. This would be subject to tax at the appropriate rate—5%—specified for general income tax.

In regard to surtax, net taxable income would be $7,000 less the most favorable exemption, which in this case would be the $5,000 of all income. Thus $2,000 would be subject to the surtax rate of 2%.

If $6,000 of the taxable income had been earned and only $1,000 investment, the exemption chosen would have been that which exempted all earned income up to $14,000. In such a case, only $1,000 would have been subject to surtax.

If $4,000 income is earned and $3,000 investment, the taxpayer would choose the third type of exemption only if he was married and had at least eight dependents. In this case, the sum of the exemption for wife and dependents would amount to $5,200, or $200 more than he could claim otherwise.

This is a regular feature of The Financial Post. If you are a subscriber your income tax problems will be answered here.

Municipal Finances

Windsor, Ont., will levy its 1937 taxes on an assessment of $83,426,460 an increase of $1,466,490 over the 1936 figure.

* * *

Ottawa, Ont., stands to lose $32,000 in 1937 as a result of the action of the Ontario Government in retaining the entire provincial income tax revenue while assuming the entire cost of mothers' allowance and the municipal share of old-age pensions. The city's taxable assessment shows an increase of $1,080,379, being placed at $153,090,395. The assessment is made up of three classifications: Real property, $138,670,138; business, $14,277,693; corporation income, $142,564.

* * *

Edmonton, Alta., reports tax collections in 1936 totalled $3,832,294, which is $84,313 or 2% more than the levy. Total collections, however, were $66,579 lower than in 1935. Current tax collections were $68,774 ahead of 1935, while arrears showed a decline of $140,000.

* * *

St. Augustin Parish, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of May 1 and Nov. 1, 1932.

Goodyear Profit Near $5 a Share

A. G. Partridge, president of Goodyear Tire & Rubber Co. of Canada, states in a letter to shareholders that the recent extra payment of $2.50 a share "was practically all earned during 1936." This indicates earnings for the year nearly equal to the total dividend payments of $5 a share, compared with earnings of $4.12 a share in 1935.

Mr. Partridge explains the decision to disburse all 1936 earnings as follows: "The company's present earned surplus seems entirely adequate to cover everything foreseen in the near future and, therefore, we believe it advisable to distribute among the common shareholders the balance of 1936 earnings, after payment of dividends on the preferred stock. Any small portion of the additional dividend not earned during 1936 will be taken from surplus."

At the close of 1935, earned surplus was $7.5 millions and net working capital $8.5 millions

Mining Dividends

	Rate	Close Jan. 18	Yield %
Anglo-Huronian	20c	6.70	..
Beattie Gold	†5c	1.45	..
Bralorne	40c+15c	8.35	..
Buff. Ankerite	50c	11.75	4.2
Bulolo Gold	‡1.40	28.00	..
Cariboo	10c	1.72	5.8
Central Patricia	†4c	4.30	..
Coniagas	12½c	3.45	..
Cons. Smelters	$1+$1	78.00	..
Dome Mines	$2+$2	49.75	*8
Falconbridge	30c	11.75	2.5
Hollinger	65c+45c	15.25	*7.1
Howey Gold	2c	.61	..
Hudson Bay	$1	35.25	..
Island Mountain	‡10c	1.07	..
Int. Coal & Coke	‡1c	.22	..
Inter. Nickel, c.	$1.60	63.75	2.5
Inter. Mining	45c	16.50	..
Kerr Lake	5c	.60	..
Kirk. Lake	‡3c	1.26	..
Lake Shore	$5	57.00	8.8
Lava Cap M.	4c+1c	.78	..
Little L. Lac	30c	7.35	..
Macassa	15c	8.00	..
McIntyre	$2	40.50	4.9
McKenzie R. Lake	6+1c	1.88	..
McKinley Sec.	2½c	.65	..
McWatters Gold	†5c	1.10	..
Nipissing	50c	3.00	..
Nor. Can. Mining	2c	.75	..
Noranda	$3	78.50	3.8
Pickle Crow	20c	8.50	2.3
Premier	‡12c+4c	4.30	*3.7
Pioneer, B.C.	80c	6.40	12.5
Reno	12c	1.21	9.9
San Antonio	14c	2.32	..
Sheep Creek	8c	.72	11.1
Siscoe	20c	6.60	3
Sudbury Basin	10c	6.10	..
Sylvanite	20c	4.10	4.9
Teck-Hughes	40c+5c	5.65	*7.9
Toburn	8c	4.25	1.9
Ventures	2½c+2½c	3.00	..
Ymir Yankee Girl	5c	.36	..

‡Interim. †Initial.
*Yield includes bonus.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.60	4.85
Can. Invest. Fund, ex-div.	4.75	5.10
All Can. Trustee	15.25	16.00
Trans-Canada	...	15.45
Grouped Income	6.90	7.55
Can. Equity	13.75	...
Can. Int. Tr. modified	6.00	6.50
Do., unmodified	5.50	6.00

Ontario House Opens Battle On Hydro Bill

Legislation to Reaffirm Contract Repudiation Introduced

LEGISLATIVE PLANS

With only a pretense of the opening formalities members of the Ontario Legislature have been whisked this week into the major controversy of the session. When they will emerge from the battle over Premier Hepburn's second attempt at hydro contract repudiation is anybody's guess.

First actual legislative step of the Government has been introduction of an amendment to the Power Commission Act to render ineffective any court decisions against the Hydro-Electric Power Commission for breach of contracts. In effect, the amendment provides:

1. Property of the Hydro Commission is exempt from judgment just like Crown property.
2. No action may be taken to enforce any judgment against the Commission.
3. Officers of the courts are prohibited from acting to execute any judgments against the Commission.
4. Judgments against the Hydro in any Ontario courts are not to constitute a liability of the Commission.

The fact that the hydro legislation has been brought down in the form of three bills opens the field for the longest debate in the history of the Ontario Legislature if the Opposition chooses to take full advantage of the opportunity. At best the fight will be a long one though Liberal members at least are hoping that the end will permit the promised two-weeks recess before the House is called upon to tackle the balance of its legislative programme.

If this hope is realized Premier Hepburn now banished to Arizona by his physicians, may be on hand when the House reconvenes.

Balanced Budget

It is understood that he will bring down his budget as near to the end of March (the close of the Government's fiscal year) as possible. This budget Mr. Hepburn, as provincial treasurer, has promised to balance after charging all relief expenditures to current account.

The few critics who, in the past few weeks, have seen signs of a possible settlement of the Quebec hydro contract issue through negotiation and settlement admittedly find little to further their hopes in the measures now being debated in the House.

With two of these contracts now before the courts and the possibility of a Privy Council decision upsetting the Power Commission Act of 1935 the present retroactive legislation introduced this week by Hon. Arthur Roebuck is in the nature of a rearmament programme for the next war before the first is finished.

Delay Proclamation

Like the 1935 act, however, the hydro legislation may not be proclaimed as soon as it is passed. The Privy Council has yet to render its decision in the Ottawa Valley case. If the Government's repudiation of this contract were upheld there would, of course be no need for the measures. It is rumored that even if an adverse decision is handed down the acts may not become law immediately, thus leaving the door open for a new bargain.

While Mr. Hepburn has declared that such a bargain would be struck only on the Government's terms it is known that reports of a possible power shortage have worried at least members of the rank and file. Many back benchers are frankly opposed to sweeping legislation which would close the door and all pleas to the Government for an equitable settlement with the power companies have not come from outside the party.

On one other item of its programme the Hepburn Government is likely to run into a minor snag in its intra-party dealings.

Income Tax Snag

The Speech from the Throne this week forecast provision for the relief of municipalities from the burden of mothers' allowances and old age pensions. Behind this forecast lies the earlier announcement of the Government that henceforth there would be no grants to municipalities from the provincial income tax which last year for the first time replaced municipal income levies. The majority of Liberal members are wholeheartedly behind the measure while others, not quite so enthusiastic, admit that it is a step in the right direction.

Larger centres of the province, particularly Toronto, however, stand to lose substantially in the deal and local feeling is reflected in an already organized drive by representatives of urban constituencies to gain some concessions.

Succession Duty Exemptions

Ambiguity is seen in the speech from the throne regarding revision of the Succession Duties Act. The speech says the act will be amended "so that contributions to charitable, educational and religious institutions shall be exempted when rates of duty are fixed." The questions raised by estates administrators are: Does this mean charitable bequests will be exempt before the rate of duty is calculated; or does it simply mean that the determined rate will not be levied on the charitable donations? Unless such bequests are exempt before the rate is set, the effect is to increase the rate actually levied on the remaining estate.

If this point is cleared up satisfactorily there can be little question of support behind the bill which meets one of the major criticisms of Premier Hepburn's campaign to swell his revenues through succession duties.

The much-mooted investigation of timber operations under former Governments may not materialize, it is learned. Appointment of Hon. Charles Cox, ardent critic of the former northern development administration, had been taken earlier as an indication that the Government meant business in this regard.

Some members of the Cabinet itself, however, are known to be unenthusiastic over the idea of inviting a fight which might be far from one-sided. It has even been suggested that Mr. Cox may have been playing a lone hand in promoting the battle.

MADE DIRECTOR

A. B. Bradsher, who was recently elected to the board of directors of Imperial Tobacco Co. of Canada, Ltd. Mr. Bradsher has charge of the tobacco leaf division of the company.

Live Bees

C. N. R. Express Handles 8% More Traffic in 1936

From Our Own Correspondent

MONTREAL.—Express shipments handled by the Canadian National Express during 1936 increased approximately 8% in number over those reported for 1935, according to G. E. Bellerose, general manager.

The classes of express shipments which showed considerable improvement over the past year were general merchandise, foodstuffs, including fresh fish, live lobsters, also baby chicks and live bees to farming districts.

Another industry in which results indicate an improvement is that of fox raising. There was a very notable increase in the number of shipments of raw pelts from points in the Maritime Provinces, and in the number of shipments from those points of dressed skins for export.

St. Lawrence Paper Mills Tax Bill on Settled Basis

From Our Own Correspondent

MONTREAL.—By resolution of the city of Three Rivers council, total taxes on industrial properties of St. Lawrence Paper Mills are fixed at $558,500 for the years 1933 to 1935 inclusive. The company will also pay taxes of $7,328 on non-industrial properties for the years 1933 to 1936.

If the resolution is ratified by the Provincial Legislature the company will pay $150,000 in industrial taxes for 1933 to 1936 as well as the non-industrial taxes.

In the years 1937 to 1940 inclusive, the annual tax bill will be $42,750 and for the remaining years included in the resolution, it will total $47,500.

Obituaries

Judge J. O. Lacroix, of Montreal, judge of the session court since 1923. Judge Lacroix was in his 64th year and had also served as juvenile court judge for the city until 1931. He was a member of the Canadian Order of Foresters.

* * *

Ernest Alexander, of Montreal, former secretary of the Canadian Pacific Railway. He retired from the company at the end of 1935 after serving under three presidents. He had been secretary since 1917.

* * *

John Murphy, member of the Nova Scotia Power Commission and former mayor of Halifax. He was 55.

* * *

H. F. Roberts, assistant professor of botany at the University of Manitoba and originator of Kanred wheat.

Paramount Pictures Plans More for Production

Paramount Pictures Corp. is planning the largest expenditures since 1930 for film production in 1937. It is announced that $30 millions has been appropriated as a beginning on the programme.

Earnings in the final quarter of 1936 are understood to have continued the gain shown in the third quarter when a surplus of $2 millions was reported, compared with a loss of $476,000 in the second quarter.

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CANADA CEMENT COMPANY LIMITED

Annual Report of the Board of Directors

TO THE SHAREHOLDERS:—

Your Directors present herewith a statement of the affairs and financial position of your Company for the fiscal year ending November 30, 1936.

The general improvement in business conditions in Canada during 1936 was reflected to some degree in the building industry, resulting in an increase in cement consumption over 1935. It may be stated, however, that the building industry is still far from normal for this country. Building and Engineering permits for 1936 were only 43½% of 1926 and 28% of 1929. There is encouragement in the fact that a perceptible upturn took place in private building, the first real sign of a revival in private construction since the commencement of the depression. Canada still lags far behind nearly every other country in the world in building activity, but a gradual improvement is looked for in this connection.

The statement presented herewith is in consolidated form, including all subsidiaries. The results of the year's operations reflect the improvement in cement consumption during the year. Net earnings improved by $625,548.24. Depreciation Reserve set up amounts to $1,027,828.80, and included in this is an item of $27,828.80 reserve for depreciation of Canada Cement Building which is owned by the St. Lawrence Land Company, for the first time included in the consolidated statement. You will note also that the Reserve for Extraordinary Repairs and Renewals has been increased from last year's figure of $175,000.00 to $325,000.00. This increase is also accounted for by the consolidation of the St. Lawrence Land Company accounts. Owing to the fact that shipments of your Company's product are now made largely in paper sacks, the amount previously standing in Cloth Sack Reserve Account amounting to $150,000.00 has been transferred to Contingent Reserve, bringing this reserve up to $400,000.00.

At a Special General Meeting of Shareholders held on September 25, 1936, you authorized a new issue of bonds to replace the then outstanding $17,059,000.00 of 5½% Gold Bonds. This operation has been carried out. Of the new issue of $20,000,000.00 authorized $16,500,000.00 were sold — $3,000,000.00 bearing 3% interest, $3,000,000.00 bearing 3½% interest, and $10,500,000.00 bearing 4¼% interest.

The difference between the amount of bonds previously outstanding of $17,059,000.00 and the amount now outstanding of $16,500,000.00, plus the bond refunding expense (consisting of the redemption premium on the old bonds, the exchange premium on the old bonds, and the discount on the new bonds), has all been taken care of out of the cash resources of the Company. The bond refunding expense has, however, not been written off but has been carried forward on the books of the Company and will be amortized over future years.

The issue of the new bonds will result in considerable saving of interest to the Company and a relief from exchange fluctuations which proved a somewhat burdensome item on the old bonds as they were payable both as to principal and interest in three currencies at the option of the holder. The new bonds are payable in Canadian funds only.

Dividends accrued during the year on the Preference Stock. Owing to the improvement that has already taken place in the business of the Company and the prospects for its continuance, your Directors have declared a dividend of $1.00 per share on the Preference Stock, payable March 20th to Shareholders of record February 28, 1937. Future declarations will depend upon conditions at the time they come up for consideration.

Respectfully submitted on behalf of the Board of Directors.

J. D. JOHNSON,
President.

CONSOLIDATED BALANCE SHEET — NOVEMBER 30, 1936

ASSETS

CURRENT ASSETS:			
Inventories as determined and certified to by the Management and valued at or below cost which is below market		$1,562,038.69	
Accounts Receivable (less Bad Debt Reserve):			
Customers' Accounts	$311,065.35		
Other Accounts	64,486.31		
		375,551.66	
Loans to Employees for purpose of purchase of Company's shares		1,616.41	
Deposits on Tenders		13,686.42	
Securities deposited with Workmen's Compensation Commission		5,000.00	
Government and Public Utility Bonds (Market value $1,048,315.00)		998,215.63	
Cash		929,160.85	
			$ 3,885,269.66
OTHER INVESTMENTS:			
Miscellaneous Investments at cost, less amounts written off			50,034.50
UNEXPIRED INSURANCE, PREPAID TAXES AND OTHER PREPAID EXPENSES			81,802.51
BOND REFUNDING EXPENSE:			
Premium and exchange on bonds redeemed and discount on new bonds issued			1,652,154.58
PROPERTY ACCOUNT:			
Land, Buildings, Plant and Equipment, etc., (as appraised by Messrs. Ford, Bacon & Davis, Inc., on the basis of commercial value at September 30, 1927, $38,267,500.00) and the Canada Cement Building at cost, with subsequent additions and acquisitions at cost, less Depreciation Reserves of $12,809,702.81			42,092,384.89
			$47,771,645.64

LIABILITIES

CURRENT LIABILITIES:			
Accounts Payable		$ 335,121.41	
Bond Interest Accrued		53,437.50	
Mortgage Interest Accrued		20,500.00	
Provision for Dominion, Provincial and other Taxes		247,254.55	
			$ 656,313.46
FIRST MORTGAGE BONDS:			
Authorized		$20,000,000.00	
Issued (on November 1, 1936) Series "A"—			
3% Serial Bonds due 1937 to 1940		$ 3,000,000.00	
3½% Serial Bonds due 1941 to 1944		3,000,000.00	
4¼% Sinking Fund Bonds due 1951		10,500,000.00	
			16,500,000.00
MORTGAGE ON CANADA CEMENT BUILDING:			
Balance bearing interest at 5% per annum due in 1948, repayable after June 1, 1938, at Company's option			820,000.00
RESERVES:			
Fire Insurance		$ 750,000.00	
Extraordinary Repairs and Renewals		325,000.00	
Industrial Accidents		58,600.00	
Contingent Reserve (after transfer of Cloth Sack Reserve of $150,000.00)		400,000.00	
			1,533,600.00
PREFERENCE SHARES REDEMPTION RESERVE			55,900.00
PREFERENCE SHARES—6½% SINKING FUND CUMULATIVE SHARES OF $100.00 EACH REDEEMABLE ON SIXTY DAYS' NOTICE:			
Authorized (of which $21,000,000.00 has been issued)		$25,000,000.00	
Outstanding			20,086,900.00
NOTE: No dividend has been paid since May 31, 1932.			
COMMON SHARES:			
600,000 Shares of No Par Value, out of an authorized issue of 750,000 Shares			6,403,904.75
EARNED SURPLUS:			
Profit and Loss Account for the year ending November 30, 1936:			
Profit from Operations		$ 2,830,906.87	
Income from Investments		82,953.41	
Profit on Sale of Investments		26,320.00	
		$ 2,940,180.28	
Deduct:			
Bond Interest and Exchange thereon	$ 929,435.24		
Mortgage Interest	41,250.00		
Depreciation Provision	1,027,828.80		
Executive Remuneration	67,229.80		
Directors' Fees	9,870.00		
Legal Expenses	659.25		
Legal and other Bond Conversion Expenses	54,665.64		
Provision for Dominion and Provincial Income Taxes	146,000.00		
		2,276,938.73	
		$ 663,241.55	
Earned Surplus, November 30, 1935	$1,035,646.95		
Adjustments in respect of prior years	16,138.93		
		1,051,785.88	
			1,715,027.43
			$47,771,645.64

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Canada Cement Company Limited and its Subsidiary Companies for the year ending November 30, 1936, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of Canada Cement Company Limited and its Subsidiary Companies at November 30, 1936, and that the Profit and Loss Account correctly sets forth the result of their combined operations before making full provision for Depreciation of Plant and Equipment, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.,
Auditors.

Montreal, January 6, 1937.

APPROVED ON BEHALF OF THE BOARD:
J. D. JOHNSON, Director.
F. B. KILBOURN, Director.

IRON FIREMAN MANUFACTURING CO.
of Canada, Limited

The Canadian plant of the Iron Fireman Manufacturing Company was opened in Toronto on June 27, 1931, entering into the manufacture of Iron Fireman Automatic Coal Burners for distribution in Canada and Newfoundland.

With the growth of the stoker industry in Canada, the company has expanded each year since its establishment. They have four times the space formerly occupied and with the same proportional increase in employees.

Iron Fireman Automatic Coal Burners are made for all sizes of homes as well as for commercial heating and power boilers up to 500 H.P.

Advertising of Iron Fireman appears in —

Maclean's
Canada's National Magazine

Legal and Professional Directory

REID, WALLBRIDGE, GIBSON & SUTTON
Barristers, Solicitors, etc.
R. L. Reid, K.C. D. S. Wallbridge
J. G. Gibson W. A. Sutton
YORKSHIRE BUILDING
VANCOUVER, B.C.

Victor A. Sinclair, K.C.
Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
1503 Canada Permanent Bldg.
TORONTO, CANADA

Pitblado, Hoskin, Grundy, Bennest and Drummond-Hay
Pitblado, Hoskin, Turner McEwen and Alsaker
Barristers, Solicitors, Etc.
Hamilton Building
WINNIPEG, CANADA

INDUSTRIAL ENGINEERS

DUFRESNE, McLAGAN & ASSOCIATES
INDUSTRIAL AND MANAGEMENT CONSULTANTS
COST REDUCTION WAGE METHODS COST CONTROL
INDUSTRIAL COST ACCOUNTING PLANT AUDITS
BANK OF NOVA SCOTIA BUILDING MONTREAL
TORONTO MONTREAL QUEBEC

CHARTERED ACCOUNTANTS

WM. ROBERTSON
Chartered Accountant
KITCHENER
Ontario

J. P. LANGLEY & CO.
C. P. ROBERTS, F. C. A.
Chartered Accountants
TORONTO
KIRKLAND LAKE
ONTARIO

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Ottawa
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

ROBERTSON, ROBINSON, McCANNELL & DICK
CHARTERED ACCOUNTANTS
D. H. McCANNELL—Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON
R. S. McPHERSON
Licensed Trustees
FEDERAL BUILDING
TORONTO
GALT
KITCHENER

RONALD, GRIGGS & CO.
Chartered Accountants
Winnipeg
Saskatoon

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

RUTHERFORD WILLIAMSON & CO.
CHARTERED ACCOUNTANTS
RUTHERFORD WILLIAMSON, F.C.A. HAROLD A. SHIACH, F.C.A.
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

J. M. Dunwoody, C.A.
C. W. Nicholl, C.A. Thos. E. Saul, C.A.
DUNWOODY, NICHOLL, SAUL & CO.
CHARTERED ACCOUNTANTS
Winnipeg, Man., and Fort Frances, Ont.

T. A. GETTY
Chartered Accountant
Suite 302, Walter Scott Bldg.
Moose Jaw, Sask.

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

McDONALD CURRIE & CO.
CHARTERED ACCOUNTANTS
Montreal Toronto Quebec Ottawa